

1.1 CONFERENCE COMMITTEE REPORT ON H. F. No. 2749

1.2 A bill for an act

1.3 relating to state government; conforming buyback level for the budget reserve
1.4 with the most recent forecast; eliminating obsolete language; providing policy
1.5 and finance for the Office of Higher Education, the Minnesota State Colleges
1.6 and Universities, and the University of Minnesota, including programs for
1.7 student loans, students with disabilities, fetal tissue research, psychiatric drug
1.8 trials, and collegiate recovery; providing funding and policy for early childhood
1.9 and family, prekindergarten through grade 12, and adult education, including
1.10 general education, education excellence, charter schools, special education, early
1.11 childhood education, self-sufficiency, lifelong learning, and state agencies;
1.12 appropriating money; requiring reports; amending Minnesota Statutes 2014,
1.13 sections 120A.22, subdivision 12; 120A.42; 120B.02, by adding a subdivision;
1.14 120B.021, subdivisions 1, 3; 120B.11, subdivisions 1a, 2, 3, 4, 5; 120B.15;
1.15 120B.31, by adding subdivisions; 120B.35; 120B.36, as amended; 121A.53;
1.16 121A.61, subdivision 1; 121A.64; 122A.07, subdivision 2; 122A.09, subdivision
1.17 10, by adding a subdivision; 122A.14, subdivision 9; 122A.16; 122A.18,
1.18 subdivisions 7c, 8; 122A.21, subdivision 1, by adding a subdivision; 122A.245,
1.19 subdivision 8; 122A.31, subdivision 3; 122A.40, subdivision 10; 122A.41, by
1.20 adding a subdivision; 122A.4144; 122A.416; 122A.42; 122A.72, subdivision
1.21 5; 123A.24, subdivision 2; 123B.147, subdivision 3; 123B.49, subdivision
1.22 4; 123B.571, subdivision 2; 123B.60, subdivision 1; 123B.71, subdivision 8;
1.23 123B.79, subdivisions 5, 8, 9; 124D.111, by adding a subdivision; 124D.13,
1.24 subdivisions 1, 5, 9; 124D.135, subdivisions 5, 7; 124D.15, subdivisions 1, 3a,
1.25 15; 124D.16, subdivisions 3, 5; 124D.165, as amended; 124D.52, subdivisions
1.26 1, 2; 124D.55; 124D.59, by adding a subdivision; 124D.861, as amended;
1.27 124D.896; 125A.091, subdivision 11; 125A.0942, subdivision 4; 126C.10,
1.28 subdivisions 2e, 24; 126C.15, subdivision 3; 126C.17, subdivision 9a; 126C.40,
1.29 subdivision 5; 126C.63, subdivision 7; 127A.095; 127A.353, subdivision 4;
1.30 127A.41, subdivision 2; 127A.45, subdivision 6a; 127A.51; 129C.10, subdivision
1.31 1; 136A.01, by adding a subdivision; 136A.101, subdivision 10; 245.92; 245.94;
1.32 245.945; 245.95, subdivision 1; 245.97, subdivision 5; Minnesota Statutes
1.33 2015 Supplement, sections 16A.152, subdivision 2; 120B.021, subdivision 4;
1.34 120B.125; 120B.30, subdivisions 1, 1a; 120B.301; 120B.31, subdivision 4;
1.35 122A.09, subdivision 4; 122A.21, subdivision 2; 122A.30; 122A.40, subdivision
1.36 8; 122A.41, subdivision 5; 122A.414, subdivisions 1, 2, 2b; 122A.415,
1.37 subdivision 3; 122A.60, subdivision 4; 123B.53, subdivision 1; 123B.595,
1.38 subdivisions 4, 7, 8, 9, 10, 11, by adding a subdivision; 124D.16, subdivision
1.39 2; 124D.231, subdivision 2; 124D.73, subdivision 4; 124E.05, subdivisions 4,
1.40 5, 7; 124E.10, subdivisions 1, 5; 124E.16, subdivision 2; 125A.08; 125A.083;
1.41 125A.0942, subdivision 3; 125A.11, subdivision 1; 125A.21, subdivision 3;
1.42 125A.63, subdivision 4; 125A.76, subdivision 2c; 125A.79, subdivision 1;
1.43 126C.10, subdivisions 1, 13a; 126C.15, subdivisions 1, 2; 126C.48, subdivision

2.1 8; 127A.05, subdivision 6; 127A.47, subdivision 7; 136A.121, subdivision
2.2 7a; 136A.125, subdivisions 2, 4; 136A.1791, subdivisions 4, 5, 6; 136A.87;
2.3 136F.302, subdivision 1; Laws 2010, chapter 396, section 7; Laws 2011, First
2.4 Special Session chapter 11, article 4, section 8; Laws 2012, chapter 263, section
2.5 1, as amended; Laws 2013, chapter 116, article 7, section 19, as amended; Laws
2.6 2015, chapter 69, article 1, sections 3, subdivisions 19, 28; 5, subdivision 2;
2.7 article 3, sections 20, subdivision 15; 24, subdivision 1; Laws 2015, First Special
2.8 Session chapter 3, article 1, section 27, subdivisions 2, 4, 5, 6, 7, 9; article 2,
2.9 section 70, subdivisions 2, 3, 4, 5, 6, 7, 11, 12; article 3, section 15, subdivision
2.10 3; article 4, sections 4; 9, subdivision 2; article 5, section 30, subdivisions 2, 3, 5;
2.11 article 6, section 13, subdivisions 2, 3, 6, 7; article 7, section 7, subdivisions 2, 3,
2.12 4; article 9, section 8, subdivisions 5, 6, 7, 9; article 10, section 3, subdivision 2;
2.13 article 11, section 3, subdivisions 2, 3; article 12, section 4; proposing coding
2.14 for new law in Minnesota Statutes, chapters 119A; 120B; 121A; 122A; 124D;
2.15 125B; 127A; 129C; 136A; 136F; 137; 181; repealing Minnesota Statutes
2.16 2014, sections 120B.299, subdivision 5; 122A.40, subdivision 11; 122A.41,
2.17 subdivision 14; 122A.413, subdivision 3; 122A.74; 123B.60, subdivision 2;
2.18 123B.79, subdivisions 2, 6; Minnesota Statutes 2015 Supplement, section
2.19 122A.413, subdivisions 1, 2; Minnesota Rules, part 3535.0110, subparts 6, 7, 8.

May 22, 2016

2.20
2.21 The Honorable Kurt L. Daudt
2.22 Speaker of the House of Representatives

2.23 The Honorable Sandra L. Pappas
2.24 President of the Senate

2.25 We, the undersigned conferees for H. F. No. 2749 report that we have agreed upon
2.26 the items in dispute and recommend as follows:

2.27 That the Senate recede from its amendments and that H. F. No. 2749 be further
2.28 amended as follows:

2.29 Delete everything after the enacting clause and insert:

2.30 "ARTICLE 1

2.31 HIGHER EDUCATION

2.32 Section 1. APPROPRIATIONS.

2.33 The sums shown in the columns marked "Appropriations" are added to the
2.34 appropriations in Laws 2015, chapter 69, article 1, unless otherwise specified, to the
2.35 agencies and for the purposes specified in this article. The appropriations are from the
2.36 general fund, or another named fund, and are available for the fiscal years indicated
2.37 for each purpose. The figures "2016" and "2017" used in this article mean that the
2.38 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
2.39 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
2.40 year 2017. "The biennium" is fiscal years 2016 and 2017.

2.41	APPROPRIATIONS	
2.42	Available for the Year	
2.43	Ending June 30	
2.44	<u>2016</u>	<u>2017</u>

4.1 within a multidisciplinary team, and prepares
 4.2 doctors to practice addiction medicine in
 4.3 rural and underserved areas of the state. The
 4.4 base for this program is \$210,000 in fiscal
 4.5 year 2018 and \$0 in fiscal year 2019.

4.6 **Subd. 5. Student and Employer Connection**
 4.7 **Information System** -0- 500,000

4.8 For a grant to the Saint Paul Foundation
 4.9 for the creation of a web-based job and
 4.10 intern-seeking software tool that blind
 4.11 matches the needs of employers located
 4.12 in Minnesota with the individual profiles
 4.13 of high school seniors and postsecondary
 4.14 students attending Minnesota high schools
 4.15 and postsecondary institutions. No more
 4.16 than three percent of this appropriation may
 4.17 be used for administrative expenses of the
 4.18 foundation. The foundation must report by
 4.19 January 15, 2017, on activities under this
 4.20 subdivision to the chairs and ranking minority
 4.21 members of the legislative committees with
 4.22 jurisdiction over higher education finance.
 4.23 The base for this appropriation is \$405,000
 4.24 in fiscal year 2018.

4.25 **Sec. 3. BOARD OF TRUSTEES OF THE**
 4.26 **MINNESOTA STATE COLLEGES AND**
 4.27 **UNIVERSITIES**

4.28 **Subdivision 1. Total Appropriations** \$ -0- \$ 790,000

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

4.32 **Subd. 2. Operating Support and Protecting**
 4.33 **Affordability** -0- 570,000

4.34 **Subd. 3. MnSCU Open Textbooks** -0- 100,000

5.1 (a) For programs on system campuses
 5.2 that promote adoption of open textbooks.
 5.3 Programs must focus on the review, creation,
 5.4 and promotion of new or existing open
 5.5 textbooks and on saving money for students
 5.6 while meeting the academic needs of faculty.
 5.7 This is a onetime appropriation.

5.8 (b) By January 15, 2017, the board shall
 5.9 report to the chairs and ranking minority
 5.10 members of the legislative committees with
 5.11 jurisdiction over higher education regarding
 5.12 the progress of the pilot programs. The
 5.13 report shall include a summary of each pilot
 5.14 program and the total savings expected for
 5.15 students as a result of the programs.

5.16 **Subd. 4. MnSCU Open Textbook Library** -0- 100,000

5.17 To expand and promote the open textbook
 5.18 library to faculty across the state. This is a
 5.19 onetime appropriation.

5.20 **Subd. 5. Cook County Higher Education Board** -0- 20,000

5.21 For transfer to the Cook County Higher
 5.22 Education Board to provide educational
 5.23 programming and academic support services
 5.24 to remote regions in northeastern Minnesota.
 5.25 This appropriation is in addition to other
 5.26 funds previously appropriated for transfer to
 5.27 the board.

5.28 **Sec. 4. BOARD OF REGENTS OF THE**
 5.29 **UNIVERSITY OF MINNESOTA**

5.30 **Subdivision 1. Total Appropriation** **\$** **-0-** **\$** **900,000**

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

6.1	<u>Subd. 2. Health Training Restoration</u>		<u>800,000</u>
6.2	<u>This appropriation must be used to support</u>		
6.3	<u>all of the following:</u>		
6.4	<u>(1) faculty physicians who teach at eight</u>		
6.5	<u>residency program sites, including medical</u>		
6.6	<u>resident and student training programs in the</u>		
6.7	<u>Department of Family Medicine;</u>		
6.8	<u>(2) the Mobile Dental Clinic; and</u>		
6.9	<u>(3) expansion of geriatric education and</u>		
6.10	<u>family programs.</u>		
6.11	<u>Subd. 3. Rochester Campus, Collegiate</u>		
6.12	<u>Recovery Program</u>	<u>-0-</u>	<u>100,000</u>
6.13	<u>(a) To design and implement a collegiate</u>		
6.14	<u>recovery program at its Rochester campus.</u>		
6.15	<u>This is a onetime appropriation and is</u>		
6.16	<u>available until June 30, 2019.</u>		
6.17	<u>(b) The purpose of the collegiate recovery</u>		
6.18	<u>program is to provide structured support</u>		
6.19	<u>for students in recovery from alcohol,</u>		
6.20	<u>chemical, or other addictive behaviors.</u>		
6.21	<u>Program activities may include, but are not</u>		
6.22	<u>limited to, specialized professional support</u>		
6.23	<u>through academic, career, and financial</u>		
6.24	<u>advising; establishment of on-campus</u>		
6.25	<u>or residential peer support communities;</u>		
6.26	<u>and opportunities for personal growth</u>		
6.27	<u>through leadership development and other</u>		
6.28	<u>community engagement activities.</u>		
6.29	<u>(c) No later than January 15, 2020, the</u>		
6.30	<u>Board of Regents must submit a report to</u>		
6.31	<u>the chairs and ranking minority members of</u>		
6.32	<u>the legislative committees with jurisdiction</u>		
6.33	<u>over higher education finance and policy on</u>		
6.34	<u>campus recovery program outcomes. Based</u>		

7.1 on available data, the report must describe,
7.2 in summary form, the number of students
7.3 participating in the program and the success
7.4 rate of participants, including retention and
7.5 graduation rates, and long-term recovery and
7.6 relapse rates.

7.7 **Sec. 5. OFFICE OF OMBUDSMAN**
7.8 **FOR MENTAL HEALTH AND**
7.9 **DEVELOPMENTAL DISABILITIES** **\$** **-0-** **\$** **100,000**

7.10 For the duties of the office related to clinical
7.11 drug trials at the Department of Psychiatry at
7.12 the University of Minnesota.

7.13 **Sec. 6. MNSCU TWO-YEAR COLLEGE PROGRAM; ADMINISTRATIVE**
7.14 **COSTS.**

7.15 The appropriation made by Laws 2015, chapter 69, article 1, section 3, subdivision
7.16 18, paragraph (c), for fiscal year 2017 for information technology and administrative costs
7.17 is available on the effective date of this section and until June 30, 2017.

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

7.19 **Sec. 7. [136A.0412] ACCEPTANCE OF PRIVATE FUNDS; APPROPRIATION.**

7.20 The commissioner may accept donations, grants, bequests, and other gifts of money
7.21 to carry out the purposes of section 136A.01. Donations, nonfederal grants, bequests, or
7.22 other gifts of money accepted by the commissioner must be deposited in an account in
7.23 the special revenue fund and is appropriated to the commissioner for the purpose for
7.24 which it was given.

7.25 **Sec. 8. Minnesota Statutes 2014, section 136A.101, subdivision 5a, is amended to read:**

7.26 **Subd. 5a. Assigned family responsibility.** "Assigned family responsibility" means
7.27 the amount of a family's contribution to a student's cost of attendance, as determined by a
7.28 federal need analysis. For dependent students, the assigned family responsibility is ~~96~~
7.29 94 percent of the parental contribution. For independent students with dependents other
7.30 than a spouse, the assigned family responsibility is 86 percent of the student contribution.
7.31 For independent students without dependents other than a spouse, the assigned family
7.32 responsibility is 50 percent of the student contribution.

8.1 Sec. 9. Minnesota Statutes 2014, section 136A.101, subdivision 10, is amended to read:

8.2 Subd. 10. **Satisfactory academic progress.** "Satisfactory academic progress"
8.3 means satisfactory academic progress as defined under Code of Federal Regulations, title
8.4 34, sections 668.16(e), 668.32(f), and 668.34, except that a student with an intellectual
8.5 disability as defined in Code of Federal Regulations, title 34, section 668.231, enrolled
8.6 in an approved comprehensive transition and postsecondary program under that section
8.7 is subject to the institution's published satisfactory academic process standards for that
8.8 program as approved by the Office of Higher Education.

8.9 Sec. 10. Minnesota Statutes 2015 Supplement, section 136A.121, subdivision 7a,
8.10 is amended to read:

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

8.21 Sec. 11. Minnesota Statutes 2015 Supplement, section 136A.125, subdivision 2,
8.22 is amended to read:

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

8.25 (1) is a resident of the state of Minnesota or the applicant's spouse is a resident
8.26 of the state of Minnesota;

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

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

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

9.1 enrolled full time less than eight semesters or the equivalent in a graduate or professional
9.2 degree program;

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

9.5 (6) is enrolled in at least ~~half-time~~ six credits in an undergraduate program or one
9.6 credit in a graduate or professional program in an eligible institution; and

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

9.8 (b) A student who withdraws from enrollment for active military service after
9.9 December 31, 2002, because the student was ordered to active military service as defined
9.10 in section 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a
9.11 medical professional, that substantially limits the student's ability to complete the term
9.12 is entitled to an additional semester or the equivalent of grant eligibility and will be
9.13 considered to be in continuing enrollment status upon return.

9.14 Sec. 12. Minnesota Statutes 2015 Supplement, section 136A.125, subdivision 4,
9.15 is amended to read:

9.16 Subd. 4. **Amount and length of grants.** (a) The amount of a child care grant
9.17 must be based on:

9.18 (1) the income of the applicant and the applicant's spouse;

9.19 (2) the number in the applicant's family, as defined by the office; and

9.20 (3) the number of eligible children in the applicant's family.

9.21 (b) The maximum award to the applicant shall be \$2,800 for each eligible child per
9.22 academic year, except that the campus financial aid officer may apply to the office for
9.23 approval to increase grants by up to ten percent to compensate for higher market charges
9.24 for infant care in a community. The office shall develop policies to determine community
9.25 market costs and review institutional requests for compensatory grant increases to ensure
9.26 need and equal treatment. The office shall prepare a chart to show the amount of a grant
9.27 that will be awarded per child based on the factors in this subdivision. The chart shall
9.28 include a range of income and family size.

9.29 (c) Applicants with family incomes at or below a percentage of the federal poverty
9.30 level, as determined by the commissioner, will qualify for the maximum award. The
9.31 commissioner shall attempt to set the percentage at a level estimated to fully expend the
9.32 available appropriation for child care grants. Applicants with family incomes exceeding
9.33 that threshold will receive the maximum award minus ten percent of their income
9.34 exceeding that threshold. If the result is less than zero, the grant is zero.

10.1 (d) The academic year award amount must be disbursed by academic term using the
10.2 following formula:

10.3 (1) the academic year amount described in paragraph (b);

10.4 (2) divided by the number of terms in the academic year;

10.5 (3) divided by 15 for undergraduate students and six for graduate and professional
10.6 students; and

10.7 (4) multiplied by the number of credits for which the student is enrolled that
10.8 academic term, up to 15 credits for undergraduate students and six for graduate and
10.9 professional students.

10.10 (e) Payments shall be made each academic term to the student or to the child care
10.11 provider, as determined by the institution. Institutions may make payments more than
10.12 once within the academic term.

10.13 Sec. 13. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 4,
10.14 is amended to read:

10.15 Subd. 4. **Application for loan forgiveness.** Each applicant for loan forgiveness,
10.16 according to rules adopted by the commissioner, shall:

10.17 (1) apply for teacher shortage loan forgiveness and promptly submit any additional
10.18 information required by the commissioner; and

10.19 ~~(2) annually reapply for up to five consecutive school years and submit information~~
10.20 ~~the commissioner requires to determine the applicant's continued eligibility for loan~~
10.21 ~~forgiveness; and~~

10.22 ~~(3)~~ (2) submit to the commissioner a completed affidavit, prescribed by the
10.23 commissioner, affirming the teacher is teaching in: (i) a licensure field and in identified by
10.24 the commissioner as experiencing a teacher shortage; or (ii) an economic development
10.25 region identified by the commissioner as experiencing a teacher shortage.

10.26 Sec. 14. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 5,
10.27 is amended to read:

10.28 Subd. 5. **Amount of loan forgiveness.** (a) To the extent funding is available, the
10.29 annual amount of teacher shortage loan forgiveness for an approved applicant shall not
10.30 exceed \$1,000 or the cumulative balance of the applicant's qualified educational loans,
10.31 including principal and interest, whichever amount is less.

10.32 (b) Recipients must secure their own qualified educational loans. Teachers who
10.33 graduate from an approved teacher preparation program or teachers who add a licensure

11.1 field, consistent with the teacher shortage requirements of this section, are eligible to
11.2 apply for the loan forgiveness program.

11.3 (c) No teacher shall receive more than five annual awards.

11.4 Sec. 15. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 6,
11.5 is amended to read:

11.6 Subd. 6. **Disbursement.** (a) The commissioner must make annual disbursements
11.7 directly to the participant of the amount for which a participant is eligible, for each year
11.8 that a participant is eligible.

11.9 (b) Within 60 days of receipt of a the disbursement date, the participant must provide
11.10 the commissioner with verification that the full amount of loan repayment disbursement
11.11 has been applied toward the designated loans. A participant that previously received
11.12 funds under this section but has not provided the commissioner with such verification
11.13 is not eligible to receive additional funds.

11.14 Sec. 16. [136A.1792] PROMOTION OF FEDERAL PUBLIC SERVICE LOAN
11.15 FORGIVENESS PROGRAMS.

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

11.18 (b) "Employer" means an organization, agency, or entity that is a public service
11.19 organization under Code of Federal Regulations, title 34, part 685, section 219, provided
11.20 that the following are not employers:

11.21 (1) a federal or tribal government organization, agency, or entity; and

11.22 (2) a tribal college or university.

11.23 (c) "Employment certification form" means the form used by the United States
11.24 Department of Education to certify an individual's employment at a public service
11.25 organization for the purposes of the federal public service loan forgiveness program.

11.26 (d) "Federal loan forgiveness program" means a loan forgiveness program offered
11.27 under Code of Federal Regulations, title 34, part 685.

11.28 (e) "Public service loan forgiveness program" means the loan forgiveness program
11.29 under Code of Federal Regulations, title 34, part 685, section 219.

11.30 (f) "Public service organization" means a public service organization under Code of
11.31 Federal Regulations, title 34, part 685, section 219.

11.32 Subd. 2. **Promotion of federal public service loan forgiveness programs.** (a) The
11.33 commissioner must develop and distribute informational materials designed to increase
11.34 awareness of federal public service loan forgiveness programs among Minnesota residents

12.1 who are eligible for those programs. At a minimum, the commissioner must develop and
12.2 distribute informational materials that public service organizations may use to promote
12.3 awareness of the federal public service loan forgiveness program, including:

12.4 (1) a one-page letter addressed to individuals who may be eligible for the public
12.5 service loan forgiveness program that briefly summarizes the program, provides
12.6 information on what an eligible individual must do in order to participate, and recommends
12.7 that they contact their student loan servicer or servicers for additional information;

12.8 (2) a detailed fact sheet describing the public service loan forgiveness program; and

12.9 (3) a document containing answers to frequently asked questions about the public
12.10 service loan forgiveness program.

12.11 (b) In place of developing and publishing an informational document required under
12.12 paragraph (a), the commissioner may distribute a document published by a federal agency
12.13 that meets the requirements of paragraph (a).

12.14 Subd. 3. **Publication of informational materials.** The commissioner must make
12.15 the informational materials required under subdivision 2 available on the office's Web
12.16 site and must verify each biennium that the informational materials contain current
12.17 information. The commissioner must update and correct any informational materials that
12.18 the commissioner finds inaccurate or outdated.

12.19 Subd. 4. **Employer information.** (a) An employer must provide an employee with
12.20 information about the employee's potential eligibility for the federal public service loan
12.21 forgiveness program. An employer must annually provide to each employee in written or
12.22 electronic form the one-page letter, fact sheet, and frequently asked questions required
12.23 under subdivision 2. In addition, an employer must provide a newly hired employee with
12.24 that information within two weeks of the employee's first day of employment.

12.25 (b) At an employee's request, an employer must provide the employee with a copy
12.26 of the employment certification form.

12.27 **EFFECTIVE DATE.** Subdivision 4 is effective January 1, 2017.

12.28 Sec. 17. **[136A.1793] PROMOTION OF TEACHER LOAN FORGIVENESS**
12.29 **PROGRAMS.**

12.30 The commissioner shall provide information to public and private teacher education
12.31 programs concerning public and private student loan programs that provide for full or
12.32 partial repayment forgiveness. Teacher education programs must provide the information
12.33 furnished by the commissioner to their teacher education students.

13.1 Sec. 18. Minnesota Statutes 2015 Supplement, section 136A.246, is amended by
13.2 adding a subdivision to read:

13.3 Subd. 10. **Dual training account.** A dual training account is created in the special
13.4 revenue fund in the state treasury. The commissioner shall deposit into the account
13.5 appropriations made for the purposes of this section. Money in the account is appropriated
13.6 to the commissioner for the purposes for which it was appropriated.

13.7 Sec. 19. Minnesota Statutes 2015 Supplement, section 136A.246, is amended by
13.8 adding a subdivision to read:

13.9 Subd. 11. **Administration expenses.** The commissioner may expend up to five
13.10 percent of the appropriation made for the purposes of this section for administration
13.11 of this section.

13.12 Sec. 20. Minnesota Statutes 2015 Supplement, section 136A.87, is amended to read:

13.13 **136A.87 PLANNING INFORMATION FOR POSTSECONDARY**
13.14 **EDUCATION.**

13.15 (a) The office shall make available to all residents beginning in 7th grade through
13.16 adulthood information about planning and preparing for postsecondary opportunities.
13.17 Information must be provided to all 7th grade students and their parents annually
13.18 by September 30 about planning for their postsecondary education. The office may
13.19 also provide information to high school students and their parents, to adults, and to
13.20 out-of-school youth.

13.21 (b) The office shall gather and share information with students and parents about
13.22 the dual credit acceptance policies of each Minnesota public and private college and
13.23 university. The office shall gather and share information related to the acceptance policies
13.24 for concurrent enrollment courses, postsecondary enrollment options courses, advanced
13.25 placement courses, and international baccalaureate courses. This information must be
13.26 shared on the office's Web site and included in the information under paragraph (a).

13.27 (c) The information provided under paragraph (a) may include the following:

13.28 (1) the need to start planning early;

13.29 (2) the availability of assistance in educational planning from educational institutions
13.30 and other organizations;

13.31 (3) suggestions for studying effectively during high school;

13.32 (4) high school courses necessary to be adequately prepared for postsecondary
13.33 education;

13.34 (5) encouragement to involve parents actively in planning for all phases of education;

14.1 (6) information about postsecondary education and training opportunities existing
14.2 in the state, their respective missions and expectations for students, their preparation
14.3 requirements, admission requirements, and student placement;

14.4 (7) ways to evaluate and select postsecondary institutions;

14.5 (8) the process of transferring credits among Minnesota postsecondary institutions
14.6 and systems;

14.7 (9) the costs of postsecondary education and the availability of financial assistance
14.8 in meeting these costs, including specific information about the Minnesota Promise;

14.9 (10) the interrelationship of assistance from student financial aid, public assistance,
14.10 and job training programs; and

14.11 (11) financial planning for postsecondary education.

14.12 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
14.13 later.

14.14 Sec. 21. Minnesota Statutes 2015 Supplement, section 136F.302, subdivision 1,
14.15 is amended to read:

14.16 Subdivision 1. **ACT or SAT college ready score.** (a) A state college or university
14.17 ~~may~~ must not require an individual to take a remedial, noncredit course in a subject area if
14.18 the individual has received a college ready ACT or SAT score in that subject area.

14.19 (b) When deciding if an individual is admitted to or if an individual may enroll in a
14.20 state college or university, the state college or university must consider the individual's
14.21 scores on the high school Minnesota Comprehensive Assessments, in addition to other
14.22 factors determined relevant by the college or university.

14.23 Sec. 22. Minnesota Statutes 2014, section 245.92, is amended to read:

14.24 **245.92 OFFICE OF OMBUDSMAN; CREATION; QUALIFICATIONS;**
14.25 **FUNCTION.**

14.26 The ombudsman for persons receiving services or treatment for mental illness,
14.27 developmental disabilities, chemical dependency, or emotional disturbance shall promote
14.28 the highest attainable standards of treatment, competence, efficiency, and justice. The
14.29 ombudsman may gather information and data about decisions, acts, and other matters of an
14.30 agency, facility, or program, and shall monitor the treatment of individuals participating in
14.31 a University of Minnesota Department of Psychiatry clinical drug trial. The ombudsman
14.32 is appointed by the governor, serves in the unclassified service, and may be removed only
14.33 for just cause. The ombudsman must be selected without regard to political affiliation and

15.1 must be a person who has knowledge and experience concerning the treatment, needs,
15.2 and rights of clients, and who is highly competent and qualified. No person may serve as
15.3 ombudsman while holding another public office.

15.4 Sec. 23. Minnesota Statutes 2014, section 245.94, is amended to read:

15.5 **245.94 POWERS OF OMBUDSMAN; REVIEWS AND EVALUATIONS;**
15.6 **RECOMMENDATIONS.**

15.7 Subdivision 1. **Powers.** (a) The ombudsman may prescribe the methods by which
15.8 complaints to the office are to be made, reviewed, and acted upon. The ombudsman may
15.9 not levy a complaint fee.

15.10 (b) The ombudsman may mediate or advocate on behalf of a client.

15.11 (c) The ombudsman may investigate the quality of services provided to clients and
15.12 determine the extent to which quality assurance mechanisms within state and county
15.13 government work to promote the health, safety, and welfare of clients, other than clients
15.14 in acute care facilities who are receiving services not paid for by public funds. The
15.15 ombudsman is a health oversight agency as defined in Code of Federal Regulations,
15.16 title 45, section 164.501.

15.17 (d) At the request of a client, or upon receiving a complaint or other information
15.18 affording reasonable grounds to believe that the rights of a client who is not capable
15.19 of requesting assistance have been adversely affected, the ombudsman may gather
15.20 information and data about and analyze, on behalf of the client, the actions of an agency,
15.21 facility, or program.

15.22 (e) The ombudsman may gather, on behalf of a client, records of an agency, facility,
15.23 or program, or records related to clinical drug trials from the University of Minnesota
15.24 Department of Psychiatry, if the records relate to a matter that is within the scope of the
15.25 ombudsman's authority. If the records are private and the client is capable of providing
15.26 consent, the ombudsman shall first obtain the client's consent. The ombudsman is
15.27 not required to obtain consent for access to private data on clients with developmental
15.28 disabilities. The ombudsman is not required to obtain consent for access to private data
15.29 on decedents who were receiving services for mental illness, developmental disabilities,
15.30 or emotional disturbance. All data collected, created, received, or maintained by the
15.31 ombudsman are governed by chapter 13 and other applicable law.

15.32 (f) Notwithstanding any law to the contrary, the ombudsman may subpoena a person
15.33 to appear, give testimony, or produce documents or other evidence that the ombudsman
15.34 considers relevant to a matter under inquiry. The ombudsman may petition the appropriate
15.35 court in Ramsey County to enforce the subpoena. A witness who is at a hearing or is part

16.1 of an investigation possesses the same privileges that a witness possesses in the courts or
16.2 under the law of this state. Data obtained from a person under this paragraph are private
16.3 data as defined in section 13.02, subdivision 12.

16.4 (g) The ombudsman may, at reasonable times in the course of conducting a review,
16.5 enter and view premises within the control of an agency, facility, or program.

16.6 (h) The ombudsman may attend Department of Human Services Review Board
16.7 and Special Review Board proceedings; proceedings regarding the transfer of patients
16.8 or residents, as defined in section 246.50, subdivisions 4 and 4a, between institutions
16.9 operated by the Department of Human Services; and, subject to the consent of the affected
16.10 client, other proceedings affecting the rights of clients. The ombudsman is not required to
16.11 obtain consent to attend meetings or proceedings and have access to private data on clients
16.12 with developmental disabilities.

16.13 (i) The ombudsman shall gather data of agencies, facilities, or programs classified
16.14 as private or confidential as defined in section 13.02, subdivisions 3 and 12, regarding
16.15 services provided to clients with developmental disabilities.

16.16 (j) To avoid duplication and preserve evidence, the ombudsman shall inform
16.17 relevant licensing or regulatory officials before undertaking a review of an action of
16.18 the facility or program.

16.19 (k) The ombudsman shall monitor the treatment of individuals participating in
16.20 a University of Minnesota Department of Psychiatry clinical drug trial and ensure that
16.21 all protections for human subjects required by federal law and the Institutional Review
16.22 Board are provided.

16.23 (l) Sections 245.91 to 245.97 are in addition to other provisions of law under which
16.24 any other remedy or right is provided.

16.25 Subd. 2. **Matters appropriate for review.** (a) In selecting matters for review by the
16.26 office, the ombudsman shall give particular attention to unusual deaths or injuries of a
16.27 client or reports of emergency use of manual restraint as identified in section 245D.061,
16.28 served by an agency, facility, or program, or actions of an agency, facility, or program that:

16.29 (1) may be contrary to law or rule;

16.30 (2) may be unreasonable, unfair, oppressive, or inconsistent with a policy or order of
16.31 an agency, facility, or program;

16.32 (3) may be mistaken in law or arbitrary in the ascertainment of facts;

16.33 (4) may be unclear or inadequately explained, when reasons should have been
16.34 revealed;

16.35 (5) may result in abuse or neglect of a person receiving treatment;

17.1 (6) may disregard the rights of a client or other individual served by an agency
17.2 or facility;

17.3 (7) may impede or promote independence, community integration, and productivity
17.4 for clients; or

17.5 (8) may impede or improve the monitoring or evaluation of services provided to
17.6 clients.

17.7 (b) The ombudsman shall, in selecting matters for review and in the course of the
17.8 review, avoid duplicating other investigations or regulatory efforts.

17.9 (c) The ombudsman shall give particular attention to the death or unusual injury of
17.10 any individual who is participating in a University of Minnesota Department of Psychiatry
17.11 clinical drug trial.

17.12 Subd. 2a. **Mandatory reporting.** Within 24 hours after a client suffers death or
17.13 serious injury, the agency, facility, ~~or~~ program director, or lead investigator of a clinical
17.14 drug trial at the University of Minnesota Department of Psychiatry shall notify the
17.15 ombudsman of the death or serious injury. The emergency use of manual restraint must
17.16 be reported to the ombudsman as required under section 245D.061, subdivision 8. The
17.17 ombudsman is authorized to receive identifying information about a deceased client
17.18 according to Code of Federal Regulations, title 42, section 2.15, paragraph (b).

17.19 Subd. 3. **Complaints.** (a) The ombudsman may receive a complaint from any
17.20 source concerning an action of an agency, facility, or program. After completing a review,
17.21 the ombudsman shall inform the complainant and the agency, facility, or program.
17.22 No client may be punished nor may the general condition of the client's treatment be
17.23 unfavorably altered as a result of an investigation, a complaint by the client, or by another
17.24 person on the client's behalf. An agency, facility, or program shall not retaliate or take
17.25 adverse action against a client or other person, who in good faith makes a complaint or
17.26 assists in an investigation. The ombudsman may classify as confidential, the identity of a
17.27 complainant, upon request of the complainant.

17.28 (b) The ombudsman shall receive a complaint from any source concerning an
17.29 action or inaction of the University of Minnesota Department of Psychiatry related
17.30 to an individual who is enrolled in a department-approved clinical drug trial. No
17.31 individual participating in the trial may be punished, nor may the general condition of
17.32 the individual's treatment be unfavorably altered, as a result of an investigation or a
17.33 complaint by the individual or the individual's advocate. The university shall not retaliate
17.34 or take adverse action against any person who in good faith makes a complaint or assists
17.35 in an investigation. The ombudsman may classify the identity of the complainant as
17.36 confidential, upon request of the complainant.

18.1 Subd. 4. **Recommendations to agency.** (a) If, after reviewing a complaint or
18.2 conducting an investigation and considering the response of an agency, facility, or
18.3 program and any other pertinent material, the ombudsman determines that the complaint
18.4 has merit or the investigation reveals a problem, the ombudsman may recommend that
18.5 the agency, facility, or program:

- 18.6 (1) consider the matter further;
18.7 (2) modify or cancel its actions;
18.8 (3) alter a rule, order, or internal policy;
18.9 (4) explain more fully the action in question; or
18.10 (5) take other action.

18.11 (b) At the ombudsman's request, the agency, facility, or program shall, within a
18.12 reasonable time, inform the ombudsman about the action taken on the recommendation
18.13 or the reasons for not complying with it.

18.14 Subd. 5. **Recommendations to University of Minnesota.** If, after reviewing a
18.15 complaint or conducting an investigation and considering the response of the clinical drug
18.16 trial's primary investigator or the Department of Psychiatry, the ombudsman determines
18.17 that the complaint has merit or the investigation reveals noncompliance with the federal
18.18 protection of human subjects requirements or the requirements of the Institutional Review
18.19 Board, the ombudsman shall recommend that the Board of Regents of the University of
18.20 Minnesota take corrective action to remedy the violations.

18.21 Sec. 24. Minnesota Statutes 2014, section 245.95, subdivision 1, is amended to read:

18.22 Subdivision 1. **Specific reports.** The ombudsman may send conclusions and
18.23 suggestions concerning any matter reviewed to the governor. Before making public a
18.24 conclusion or recommendation that expressly or implicitly criticizes an agency, facility,
18.25 program, or any person, the ombudsman shall consult with the governor and the agency,
18.26 facility, program, or person concerning the conclusion or recommendation. When sending
18.27 a conclusion or recommendation to the governor that is adverse to an agency, facility,
18.28 program, or any person, the ombudsman shall include any statement of reasonable length
18.29 made by that agency, facility, program, or person in defense or mitigation of the office's
18.30 conclusion or recommendation. For purposes of this subdivision, "agency, facility,
18.31 program, or any person" includes the University of Minnesota Department of Psychiatry
18.32 and its employees working in clinical drug trials.

18.33 Sec. 25. Minnesota Statutes 2014, section 245.97, subdivision 5, is amended to read:

19.1 Subd. 5. **Medical Review Subcommittee.** At least five members of the committee,
19.2 including at least three physicians, one of whom is a psychiatrist, must be designated by
19.3 the governor to serve as a Medical Review Subcommittee. Terms of service, vacancies,
19.4 and compensation are governed by subdivision 2. The governor shall designate one of
19.5 the members to serve as chair of the subcommittee. The Medical Review Subcommittee
19.6 may have access to private and confidential data collected or created by the ombudsman
19.7 that are necessary to fulfill the duties of the Medical Review Subcommittee under this
19.8 section and may:

19.9 (1) make a preliminary determination of whether the death of a client that has been
19.10 brought to its attention is unusual or reasonably appears to have resulted from causes other
19.11 than natural causes and warrants investigation;

19.12 (2) review the causes of and circumstances surrounding the death;

19.13 (3) request the county coroner or medical examiner to conduct an autopsy;

19.14 (4) assist an agency in its investigations of unusual deaths and deaths from causes
19.15 other than natural causes; ~~and~~

19.16 (5) make a preliminary determination of whether the death of a participant in a
19.17 clinical drug trial conducted by the University of Minnesota Department of Psychiatry
19.18 appears to have resulted from causes other than natural causes and warrants investigation
19.19 and reporting as required by federal laws on the protection of human subjects; and

19.20 (6) submit a report regarding the death of a client to the committee, the ombudsman,
19.21 the client's next-of-kin, and the facility where the death occurred and, where appropriate,
19.22 make recommendations to prevent recurrence of similar deaths to the head of each affected
19.23 agency or facility, or the Board of Regents of the University of Minnesota.

19.24 Sec. 26. Laws 2015, chapter 69, article 3, section 20, subdivision 15, is amended to read:

19.25 Subd. 15. **Reporting.** (a) A college must report to the commissioner the following
19.26 information:

19.27 (1) the number of grantees and their race, gender, and ethnicity;

19.28 (2) grantee persistence and completion;

19.29 (3) employment outcomes; and

19.30 (4) other information requested by the commissioner.

19.31 (b) The commissioner shall report ~~annually~~ by January 15, 2017, and January 15,
19.32 2018, to the chairs and ranking minority members of the legislative committees with
19.33 jurisdiction over higher education finance by college and in aggregate on the information
19.34 submitted to the commissioner under paragraph (a). The commissioner may include in the
19.35 report recommendations for changes in the grant program.

20.1 Sec. 27. Laws 2015, chapter 69, article 3, section 24, subdivision 1, is amended to read:

20.2 Subdivision 1. **Pilot program created.** The commissioner of the Office of Higher
20.3 Education shall make a grant to a nonprofit qualified debt counseling organization to
20.4 provide individual student loan debt repayment counseling to borrowers who are Minnesota
20.5 residents concerning loans obtained to attend a Minnesota postsecondary institution. ~~The~~
20.6 ~~counseling shall be provided to borrowers who are 30 to 60 days delinquent when they~~
20.7 ~~are referred to or otherwise identified by the organization as candidates for counseling.~~
20.8 The number of individuals receiving counseling may be limited to those capable of being
20.9 served with available appropriations for that purpose. A goal of the counseling program is
20.10 to provide two counseling sessions to at least 75 percent of borrowers receiving counseling.

20.11 The purpose of the counseling is to assist borrowers to:

20.12 (1) understand their loan and repayment options;

20.13 (2) manage loan repayment; and

20.14 (3) develop a workable budget based on the borrower's full financial situation
20.15 regarding income, expenses, and other debt.

20.16 **EFFECTIVE DATE.** This section is effective the day following final enactment
20.17 and is retroactive to July 1, 2015.

20.18 Sec. 28. **STATE GRANT TUITION CAPS.**

20.19 For the purposes of the state grant program under Minnesota Statutes, section
20.20 136A.121, for the fiscal year ending June 30, 2017, the tuition maximum is \$5,736
20.21 for students in two-year programs and the tuition maximum is \$14,186 for students in
20.22 four-year programs.

20.23 Sec. 29. **MNSCU PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**
20.24 **DEVELOPMENTAL DISABILITIES; PLAN REQUIRED.**

20.25 Subdivision 1. **Development of plan required.** The Board of Trustees of the
20.26 Minnesota State Colleges and Universities must develop a plan for offering an academic
20.27 program for students with intellectual and developmental disabilities, consistent with the
20.28 principles established in subdivisions 2 to 4.

20.29 Subd. 2. **Program locations.** The plan developed must assume the program will be
20.30 offered at up to four college or university campuses chosen based on (1) their ability to
20.31 offer a robust program using existing facilities and resources and (2) a goal to provide the
20.32 program in diverse geographic regions of the state.

21.1 Subd. 3. **Enrollment and admission.** The plan developed must assume an
21.2 enrollment goal for each campus's program of at least ten incoming students per academic
21.3 year. The plan may allow for students to be admitted based on an application process
21.4 that includes an in-person interview; an independent assessment of an applicant's
21.5 interest, motivation, and likelihood of success in the program; and any other eligibility
21.6 requirements established by the board. Upon successful completion, a student must be
21.7 awarded a certificate, diploma, or other appropriate academic credential.

21.8 Subd. 4. **Curriculum and activities.** (a) The plan developed must assume a
21.9 program that provides an inclusive, two-year full-time residential college experience
21.10 for students with intellectual and developmental disabilities. The required curriculum
21.11 must include core courses that develop life skills, financial literacy, and the ability to
21.12 live independently; rigorous academic work in a student's chosen field of study; and an
21.13 internship, apprenticeship, or other skills-based experience to prepare for meaningful
21.14 employment upon completion of the program.

21.15 (b) In addition to academic requirements, the plan developed must allow
21.16 participating students the opportunity to engage fully in campus life. Program activities
21.17 must include but are not limited to (1) the establishment of on-campus mentoring and
21.18 peer support communities and (2) opportunities for personal growth through leadership
21.19 development and other community engagement activities.

21.20 (c) A participating campus may tailor its program curriculum and activities to
21.21 highlight academic programs, student and community life experiences, and employment
21.22 opportunities unique to that campus or the region of the state where the campus is located.

21.23 Subd. 5. **Report to legislature.** The board must submit a report on the plan required
21.24 to be developed by this section to the chairs and ranking minority members of the
21.25 committees of the legislature with jurisdiction over higher education finance and policy and
21.26 human services finance and policy no later than January 15, 2017. The report must describe
21.27 program plans, including strategies for recruitment of applicants, and strategies to address
21.28 anticipated program needs that cannot be filled using existing campus or system resources.

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

21.30 Sec. 30. **UNIVERSITY OF MINNESOTA AND MNSCU BUDGET**
21.31 **ALLOCATION REPORTS.**

21.32 (a) The Board of Regents of the University of Minnesota shall report by February
21.33 1, 2017, to the chairs and ranking minority members of the legislative committees with
21.34 primary jurisdiction over higher education finance on the factors it considers when

22.1 allocating funds to system campuses. The report must specifically, without limitation,
22.2 address the following questions:

22.3 (1) what circumstances would lead the university to adopt an alternate budget model
22.4 to the Resource Responsibility Center (RRC) model for a system campus;

22.5 (2) what were the rationale and factors considered for the initial base budget
22.6 allocation to system campuses when the RRC was first established; and

22.7 (3) what factors would lead the university to consider adjusting the initial base
22.8 allocation model.

22.9 (b) The Board of Trustees of the Minnesota State Colleges and Universities shall
22.10 report by February 1, 2017, to the chairs and ranking minority members of the legislative
22.11 committees with primary jurisdiction over higher education finance on the factors it
22.12 considers when allocating state funds to colleges and universities. The report must
22.13 specifically, without limitations, address the following areas:

22.14 (1) the design and methodology for the allocation of state funds to the colleges
22.15 and universities; and

22.16 (2) the factors considered in the allocation process.

22.17 **Sec. 31. EQUITY IN EDUCATION AND JOB CONNECTION GRANT**
22.18 **PROGRAM.**

22.19 Subdivision 1. **Grants.** (a) The commissioner of the Office of Higher Education
22.20 shall award grants to improve postsecondary attendance, completion, and retention and
22.21 the obtaining of well-paying jobs for which the postsecondary education provides training
22.22 by providing services to historically underrepresented college students. Grants must be
22.23 awarded to Minnesota state colleges and universities and private organization programs
22.24 that help the state reach the attainment goals under Minnesota Statutes, section 135A.012.
22.25 Programs must provide services targeted to make the improvements including, but not
22.26 limited to:

22.27 (1) academic and nonacademic counseling or advising;

22.28 (2) mentoring in education and career opportunities;

22.29 (3) structured tutoring;

22.30 (4) career awareness and exploration including internships and post graduation
22.31 job placements;

22.32 (5) orientation to college life;

22.33 (6) financial aid counseling;

22.34 (7) academic instruction programs in core curricular areas of mathematics and
22.35 language arts;

23.1 (8) supplemental instruction programs for college courses with high failure and
23.2 withdrawal rates; and

23.3 (9) co-requisite college course models for delivery of academic support.

23.4 (b) The office shall structure the grants for sustainability of programs funded by a
23.5 grant.

23.6 (c) To the extent there are sufficient qualified applicants, approximately 50 percent
23.7 of grant dollars must be awarded to private organization programs.

23.8 (d) A grant must not be made to a private organization that is a postsecondary
23.9 institution.

23.10 Subd. 2. **Application process.** (a) The commissioner shall develop a grant
23.11 application process. The commissioner shall attempt to support projects in a manner that
23.12 ensures that eligible students throughout the state have access to program services.

23.13 (b) The grant application must include, at a minimum, the following information:

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

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

23.18 (3) a description of how the services provided will foster postsecondary retention
23.19 and completion;

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

23.22 (5) the history of the applicant in achieving successful improvements using the
23.23 services for which a grant is sought;

23.24 (6) the assumed cost per student of achieving successful outcomes;

23.25 (7) the effect of the grant on assisting students to obtain well-paying jobs;

23.26 (8) the proposed grant match;

23.27 (9) the organizational commitment to program sustainability; and

23.28 (10) other information as identified by the commissioner.

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

23.31 Subd. 3. **Advisory committee.** The commissioner may establish and convene an
23.32 advisory committee to assist the commissioner in reviewing applications and advise the
23.33 commissioner on grantees and grant amounts. The members of the committee may include
23.34 representatives of postsecondary institutions, organizations providing postsecondary
23.35 academic and career services, and others deemed appropriate by the commissioner.

24.1 Subd. 4. **Outcome report.** Each grant recipient must annually submit a report to
24.2 the Office of Higher Education identifying its program and student goals and activities
24.3 implemented. A report must include, but not be limited to, information on:

- 24.4 (1) number of students served;
- 24.5 (2) course taking and grade point average of participating students;
- 24.6 (3) persistence and retention rates of participating students;
- 24.7 (4) postsecondary graduation rates of participating students;
- 24.8 (5) the number of students who required postsecondary academic remediation and
24.9 number of remedial courses for each of those students and in the aggregate; and
- 24.10 (6) jobs and wage rates of students after postsecondary graduation.

24.11 To the extent possible, the report must breakdown outcomes by Pell grant qualification,
24.12 race, and ethnicity.

24.13 Subd. 5. **Legislative report.** By January 15 of each year through 2021, the office
24.14 shall submit a report to the chairs and ranking minority members of the committees in the
24.15 house of representatives and the senate with jurisdiction over higher education finance
24.16 regarding the grant recipients and their activities. The report shall include information
24.17 about the students served, the organizations providing services, program activities,
24.18 program goals and outcomes, and program revenue sources and funding levels.

24.19 **ARTICLE 2**

24.20 **AGRICULTURE**

24.21 Section 1. **APPROPRIATIONS.**

24.22 The sums shown in the columns marked "Appropriations" are added to the
24.23 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
24.24 agencies and for the purposes specified in this article. The appropriations are from the
24.25 general fund, or another named fund, and are available for the fiscal year indicated for
24.26 each purpose. The figures "2016" and "2017" used in this article mean that the addition
24.27 to the appropriations listed under them are available for the fiscal year ending June 30,
24.28 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second
24.29 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day
24.30 following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2016</u>	<u>2017</u>

25.1	Sec. 2. <u>DEPARTMENT OF AGRICULTURE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>4,433,000</u>
25.2	<u>\$250,000 the second year is for the tractor</u>				
25.3	<u>rollover protection pilot program under</u>				
25.4	<u>Minnesota Statutes, section 17.119. This is a</u>				
25.5	<u>onetime appropriation.</u>				
25.6	<u>\$250,000 the second year is to administer</u>				
25.7	<u>the industrial hemp pilot program under</u>				
25.8	<u>Minnesota Statutes, section 18K.09. This is</u>				
25.9	<u>a onetime appropriation.</u>				
25.10	<u>\$1,000,000 the second year is for grants</u>				
25.11	<u>to the Board of Regents of the University</u>				
25.12	<u>of Minnesota to fund the Forever Green</u>				
25.13	<u>Agriculture Initiative and to protect the</u>				
25.14	<u>state's natural resources while increasing</u>				
25.15	<u>the efficiency, profitability, and productivity</u>				
25.16	<u>of Minnesota farmers by incorporating</u>				
25.17	<u>perennial and winter annual crops into</u>				
25.18	<u>existing agricultural practices. This is a</u>				
25.19	<u>onetime appropriation and is available until</u>				
25.20	<u>June 30, 2019. The appropriation in Laws</u>				
25.21	<u>2015, First Special Session chapter 2, article</u>				
25.22	<u>2, section 3, paragraph (i), is available until</u>				
25.23	<u>June 30, 2018.</u>				
25.24	<u>\$600,000 the second year is for a grant</u>				
25.25	<u>to the Board of Regents of the University</u>				
25.26	<u>of Minnesota to develop, in consultation</u>				
25.27	<u>with the commissioner of agriculture and</u>				
25.28	<u>the Board of Animal Health, a software</u>				
25.29	<u>tool or application through the Veterinary</u>				
25.30	<u>Diagnostic Laboratory that empowers</u>				
25.31	<u>veterinarians and producers to understand</u>				
25.32	<u>the movement of unique pathogen strains in</u>				
25.33	<u>livestock and poultry production systems,</u>				
25.34	<u>monitor antibiotic resistance, and implement</u>				

26.1 effective biosecurity measures that promote
26.2 animal health and limit production losses.
26.3 The base for fiscal year 2020 is \$0.

26.4 In addition to the amounts appropriated in
26.5 Laws 2015, First Special Session chapter 4,
26.6 article 1, section 2, subdivision 4:

26.7 (1) \$450,000 the second year is appropriated
26.8 for transfer to the Board of Regents of the
26.9 University of Minnesota for the cultivated
26.10 wild rice breeding project at the North
26.11 Central Research and Outreach Center to
26.12 include a tenure track/research associate
26.13 plant breeder; and

26.14 (2) \$350,000 the second year is appropriated
26.15 for transfer to the Board of Regents of the
26.16 University of Minnesota for potato breeding.

26.17 \$283,000 the second year is for a grant to
26.18 the Board of Regents of the University of
26.19 Minnesota to maintain and increase animal
26.20 disease testing capacity through the purchase
26.21 of Veterinary Diagnostic Laboratory
26.22 equipment. This is a onetime appropriation.

26.23 \$250,000 the second year is appropriated
26.24 for transfer to the good food access account
26.25 created under Minnesota Statutes, section
26.26 17.1017, subdivision 3. This is a onetime
26.27 appropriation and is available until June 30,
26.28 2019.

26.29 \$1,000,000 the second year is appropriated
26.30 for transfer to the agricultural emergency
26.31 account in the agricultural fund. This is a
26.32 onetime transfer.

27.1 Sec. 3. **[17.041] AGRICULTURAL EMERGENCY ACCOUNT;**
27.2 **APPROPRIATION.**

27.3 Subdivision 1. **Establishment; appropriation.** An agricultural emergency account
27.4 is established in the agricultural fund. Money in the account, including interest, is
27.5 appropriated to the commissioner for emergency response and preparedness activities
27.6 for agricultural emergencies affecting producers of livestock, poultry, crops, or other
27.7 agricultural products. Eligible uses include, but are not limited to, purchasing necessary
27.8 equipment and reimbursing costs incurred by local units of government that are not
27.9 eligible for reimbursement from other sources.

27.10 Subd. 2. **Transfer authorized.** The commissioner may transfer money in the
27.11 account to the Board of Animal Health, other state agencies, or the University of
27.12 Minnesota for purposes of subdivision 1.

27.13 Subd. 3. **Annual report.** No later than February 1 each year, the commissioner
27.14 must report activities and expenditures under this section to the legislative committees
27.15 and divisions with jurisdiction over agriculture finance.

27.16 Sec. 4. **[17.1017] GOOD FOOD ACCESS PROGRAM.**

27.17 Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language
27.18 or context indicates that a different meaning is intended, the following terms have the
27.19 meanings given them.

27.20 (b) "Account" means the good food access account established in subdivision 3.

27.21 (c) "Commissioner" means the commissioner of agriculture.

27.22 (d) "Economic or community development financial institution (ECDFI)" means
27.23 a lender, including but not limited to a community development financial institution
27.24 (CDFI), an economic development district (EDD), a political subdivision of the state, a
27.25 microenterprise firm, or a nonprofit community lending organization that has previous
27.26 experience lending to a food retailer, producer, or another healthy food enterprise in an
27.27 underserved community in a low-income or moderate-income area, as defined in this
27.28 section; has been in existence and operating prior to January 1, 2014; has demonstrated
27.29 the ability to raise matching capital and in-kind services to leverage appropriated money;
27.30 has the demonstrated ability to underwrite loans and grants; and has partnered previously
27.31 with nonprofit healthy food access, public health, or related governmental departments or
27.32 community organizations.

27.33 (e) "Farmers' market" means an association of three or more persons who assemble
27.34 at a defined location that is open to the public for the purpose of selling directly to the

28.1 consumer the products of a farm or garden occupied and cultivated by the person selling
28.2 the product.

28.3 (f) "Financing" means loans, including low-interest loans, zero-interest loans,
28.4 forgivable loans, and other types of financial assistance other than grants.

28.5 (g) "Food hub" means a centrally located facility with a business management
28.6 structure that facilitates the aggregation, storage, processing, distribution, marketing, and
28.7 sale of locally or regionally produced food products, and which may include a small-scale
28.8 retail grocery operation.

28.9 (h) "Good Food Access Program Advisory Committee" means the Good Food
28.10 Access Program Advisory Committee under section 17.1018.

28.11 (i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail
28.12 establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries,
28.13 and dairy products and may also sell household products, sundries, and other products.

28.14 Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery
28.15 establishment and may include a mobile food market or a delivery service operation.

28.16 (j) "Low-income area" means a census tract as reported in the most recently
28.17 completed decennial census published by the United States Bureau of the Census that has
28.18 a poverty rate of at least 20 percent or in which the median family income does not exceed
28.19 80 percent of the greater of the statewide or metropolitan median family income.

28.20 (k) "Moderate-income area" means a census tract as reported in the most recently
28.21 completed decennial census published by the United States Bureau of the Census in which
28.22 the median family income is between 81 percent and 95 percent of the median family
28.23 income for that area.

28.24 (l) "Mobile food market" means a self-contained for-profit, not-for-profit, or
28.25 cooperative retail grocery operation located in a movable new or renovated truck, bus, or
28.26 other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood,
28.27 fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal
28.28 supply of cooking utensils and equipment and other household products and sundries.

28.29 (m) "Program" means the good food access program established in this section.

28.30 (n) "Small food retailer" means a small-scale retail food outlet, other than a grocery
28.31 store as defined in this section. Small food retailer includes, but is not limited to, a corner
28.32 store, convenience store, farmers' market, mobile food market, and a retail food outlet
28.33 operated by an emergency food program or food hub.

28.34 (o) "Technical assistance" means needs-based project assistance provided through
28.35 the program, including sustainability-focused individualized guidance, presentations,
28.36 workshops, trainings, printed materials, mentorship opportunities, peer-to-peer

29.1 opportunities, or other guidance and resources on relevant topics such as business
29.2 planning, sales projections, cash flow, succession planning, financing, fund-raising,
29.3 marketing, food preparation demonstrations, and workforce training.

29.4 (p) "Underserved community" means a census tract that is federally designated
29.5 as a food desert by the United States Department of Agriculture, or a census tract in a
29.6 low-income or moderate-income area that includes a substantial subpopulation such as
29.7 the elderly or the disabled that has low supermarket access, regardless of distance, due
29.8 to lack of transportation.

29.9 Subd. 2. **Program established.** (a) A good food access program is established within
29.10 the Department of Agriculture to increase the availability of and access to affordable,
29.11 nutritious, and culturally appropriate food, including fresh fruits and vegetables, for
29.12 underserved communities in low-income and moderate-income areas by providing financial
29.13 support and sustainable public-private projects to open, renovate, or expand the operations
29.14 of grocery stores and small food retailers; expanding access to credit and reducing barriers
29.15 to investment in underserved communities in low- and moderate-income areas; and to
29.16 provide technical assistance, primarily for small food retailers with demonstrated need,
29.17 to increase availability and sustainable sales of affordable, nutritious, and culturally
29.18 appropriate food, including fresh fruits and vegetables, to underserved communities in
29.19 low-income and moderate-income areas. The commissioner, in cooperation with public
29.20 and private partners, shall establish and implement the program as provided in this section.

29.21 (b) The good food access program shall be comprised of state or private grants, loans,
29.22 or other types of financial and technical assistance for the establishment, construction,
29.23 expansion of operations, or renovation of grocery stores and small food retailers to increase
29.24 the availability of and access to affordable fresh produce and other nutritious, culturally
29.25 appropriate food to underserved communities in low-income and moderate-income areas.

29.26 Subd. 3. **Good food access account.** A good food access account is established in
29.27 the agricultural fund. The account consists of money appropriated by the legislature to the
29.28 commissioner, as provided by law, and any other money donated, allotted, transferred,
29.29 or otherwise provided to the account. Money in the account, including interest, is
29.30 appropriated to the commissioner for the purposes of this section, and shall be used, to
29.31 the extent practicable, to leverage other forms of public and private financing or financial
29.32 assistance for the projects.

29.33 Subd. 4. **Program administration.** (a) The commissioner shall be the administrator
29.34 of the account for auditing purposes and shall establish program requirements and a
29.35 competitive process for projects applying for financial and technical assistance.

30.1 (b) The commissioner may receive money or other assets from any source, including
30.2 but not limited to philanthropic foundations and financial investors, for deposit into the
30.3 account.

30.4 (c) Through issuance of requests for proposals, the commissioner may contract
30.5 with one or more qualified economic or community development financial institutions
30.6 to manage the financing component of the program and with one or more qualified
30.7 organizations or public agencies with financial or other program-related expertise to
30.8 manage the provision of technical assistance to project grantees.

30.9 (d) Money in the account at the close of each fiscal year shall remain in the account
30.10 and shall not cancel. In each biennium, the commissioner shall determine the appropriate
30.11 proportion of money to be allocated to loans, grants, technical assistance, and any other
30.12 types of financial assistance.

30.13 (e) To encourage public-private, cross-sector collaboration and investment in the
30.14 account and program and to ensure that the program intent is maintained throughout
30.15 implementation, the commissioner shall convene and maintain the Good Food Access
30.16 Program Advisory Committee.

30.17 (f) The commissioner, in cooperation with the Good Food Access Program Advisory
30.18 Committee, shall manage the program, establish program criteria, facilitate leveraging of
30.19 additional public and private investment, and promote the program statewide.

30.20 (g) The commissioner, in cooperation with the Good Food Access Program Advisory
30.21 Committee, shall establish annual monitoring and accountability mechanisms for all
30.22 projects receiving financing or other financial or technical assistance through this program.

30.23 Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program
30.24 partners and advisors, shall establish project eligibility guidelines and application
30.25 processes to be used to review and select project applicants for financing or other financial
30.26 or technical assistance. All projects must be located in an underserved community or must
30.27 serve primarily underserved communities in low-income and moderate-income areas.

30.28 (b) Projects eligible for financing include, but are not limited to, new construction,
30.29 renovations, expansions of operations, and infrastructure upgrades of grocery stores and
30.30 small food retailers to improve the availability of and access to affordable, nutritious food,
30.31 including fresh fruits and vegetables, and build capacity in areas of greatest need.

30.32 (c) Projects eligible for other types of financial assistance such as grants or
30.33 technical assistance are primarily projects throughout the state, including, but not limited
30.34 to, feasibility studies, new construction, renovations, expansion of operations, and
30.35 infrastructure upgrades of small food retailers.

31.1 Subd. 6. **Qualifications for receipt of financing and other financial or technical**
31.2 **assistance.** (a) An applicant for receipt of financing through an economic or community
31.3 development financial institution, or an applicant for a grant or other financial or technical
31.4 assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole
31.5 proprietorship, limited liability company, corporation, cooperative, nonprofit organization,
31.6 or nonprofit community development organization. Each applicant must:
31.7 (1) demonstrate community engagement in and support for the project;
31.8 (2) demonstrate the capacity to successfully implement the project;
31.9 (3) demonstrate a viable plan for long-term sustainability, including the ability to
31.10 increase the availability of and access to affordable, nutritious, and culturally appropriate
31.11 food, including fresh fruits and vegetables, for underserved communities in low-income
31.12 and moderate-income areas; and
31.13 (4) demonstrate the ability to repay the debt, to the extent that the financing requires
31.14 repayment.
31.15 (b) Each applicant must also agree to comply with the following conditions for a
31.16 period of at least five years, except as otherwise specified in this section:
31.17 (1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;
31.18 (2) apply to accept Special Supplemental Nutrition Program for Women, Infants,
31.19 and Children (WIC) benefits and, if approved, accept WIC benefits;
31.20 (3) allocate at least 30 percent of retail space for the sale of affordable, nutritious,
31.21 and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat
31.22 dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute
31.23 beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins,
31.24 consistent with nutrition standards in national guidelines described in the current United
31.25 States Department of Agriculture Dietary Guidelines for Americans;
31.26 (4) comply with all data collection and reporting requirements established by the
31.27 commissioner; and
31.28 (5) promote the hiring, training, and retention of local or regional residents from
31.29 low-income and moderate-income areas that reflect area demographics, including
31.30 communities of color.
31.31 (c) A selected project that is a small food retailer is not subject to the allocation
31.32 agreement under paragraph (b), clause (3), and may use financing, grants, or other financial
31.33 or technical assistance for refrigeration, displays, or onetime capital expenditures for the
31.34 promotion and sale of perishable foods, including a combination of affordable, nutritious,
31.35 and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats,

32.1 poultry, and fish, consistent with nutrition standards in national guidelines described in the
32.2 current United States Department of Agriculture Dietary Guidelines for Americans.

32.3 Subd. 7. **Additional selection criteria.** In determining which qualified projects to
32.4 finance, and in determining which qualified projects to provide with grants or other types
32.5 of financial or technical assistance, the commissioner, in cooperation with any entities
32.6 with which the commissioner contracts for those purposes and the Good Food Access
32.7 Program Advisory Committee, shall also consider:

32.8 (1) the level of need in the area to be served;

32.9 (2) the degree to which the project requires an investment of public support, or
32.10 technical assistance where applicable, to move forward, build capacity, create community
32.11 impact, or be competitive;

32.12 (3) the likelihood that the project will have positive economic and health impacts on
32.13 the underserved community, including creation and retention of jobs for local or regional
32.14 residents from low-income and moderate-income areas that reflect area demographics,
32.15 including communities of color;

32.16 (4) the degree to which the project will participate in state and local health department
32.17 initiatives to educate consumers on nutrition, promote healthy eating and healthy weight,
32.18 and support locally grown food products through programs such as Minnesota Grown; and

32.19 (5) any other criteria that the commissioner, in cooperation with public and private
32.20 partners, determines to be consistent with the purposes of this chapter.

32.21 Subd. 8. **Eligible costs.** Financing for project loans, including low-interest,
32.22 zero-interest, and forgivable loans, grants, and other financial or technical assistance, may
32.23 be used to support one or more of the following purposes:

32.24 (1) site acquisition and preparation;

32.25 (2) predevelopment costs, including but not limited to feasibility studies, market
32.26 studies, and appraisals;

32.27 (3) construction and build-out costs;

32.28 (4) equipment and furnishings;

32.29 (5) workforce or retailer training; and

32.30 (6) working capital.

32.31 Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic
32.32 or community development financial institution and any other entity with which it
32.33 contracts, shall submit an annual report on the good food access program by January 15 of
32.34 each year to the chairs and ranking minority members of the house of representatives and
32.35 senate committees and divisions with jurisdiction over agriculture policy and finance. The
32.36 annual report shall include, but not be limited to, a summary of the following metrics:

- 33.1 (1) the number and types of projects financed;
- 33.2 (2) the amount of dollars leveraged or matched per project;
- 33.3 (3) the geographic distribution of financed projects;
- 33.4 (4) the number and types of technical assistance recipients;
- 33.5 (5) any market or commodity expansion associated with increased access;
- 33.6 (6) the demographics of the areas served;
- 33.7 (7) the costs of the program;
- 33.8 (8) the number of SNAP and WIC dollars spent;
- 33.9 (9) any increase in retail square footage;
- 33.10 (10) the number of loans or grants to minority-owned or female-owned businesses;
- 33.11 and
- 33.12 (11) measurable economic and health outcomes, including, but not limited to,
- 33.13 increases in sales and consumption of locally sourced and other fresh fruits and vegetables,
- 33.14 the number of construction and retail jobs retained or created, and any health initiatives
- 33.15 associated with the program.

33.16 **Sec. 5. [17.1018] GOOD FOOD ACCESS PROGRAM ADVISORY**
33.17 **COMMITTEE.**

33.18 Subdivision 1. **Definitions.** As used in this section, the following terms have the

33.19 meanings given them:

- 33.20 (1) "program" means the good food access program under section 17.1017; and
- 33.21 (2) "commissioner" means the commissioner of agriculture.

33.22 Subd. 2. **Creation.** The Good Food Access Program Advisory Committee consists

33.23 of the following members, appointed by the commissioner of agriculture, unless otherwise

33.24 specified:

- 33.25 (1) the commissioners of health, employment and economic development, and
- 33.26 human services, or their respective designees;
- 33.27 (2) one person representing the grocery industry;
- 33.28 (3) two people representing economic or community development, one rural
- 33.29 member and one urban or suburban member;
- 33.30 (4) two people representing political subdivisions of the state;
- 33.31 (5) one person designated by the Council for Minnesotans of African Heritage;
- 33.32 (6) one person designated by the Minnesota Indian Affairs Council;
- 33.33 (7) one person designated by the Council on Asian Pacific Minnesotans;
- 33.34 (8) one person designated by the Chicano Latino Affairs Council;
- 33.35 (9) one person designated by the Minnesota Farmers Union;

- 34.1 (10) one person representing public health experts;
34.2 (11) one person representing philanthropic foundations;
34.3 (12) one person representing economic or community development financial
34.4 institutions;
34.5 (13) one person representing the University of Minnesota Regional Sustainable
34.6 Development Partnerships;
34.7 (14) two people representing organizations engaged in addressing food security,
34.8 one representative from a statewide hunger relief organization and one from a
34.9 community-based organization;
34.10 (15) one person representing immigrant farmer-led organizations;
34.11 (16) one person representing small business technical assistance with experience
34.12 in food retail; and
34.13 (17) up to four additional members with economic development, health equity,
34.14 financial, or other relevant expertise.

34.15 At least half of the members must reside in or their organizations must serve rural
34.16 Minnesota. The commissioner may remove members and fill vacancies as provided in
34.17 section 15.059, subdivision 4.

34.18 Subd. 3. **Duties.** The advisory committee must advise the commissioner of
34.19 agriculture on managing the program, establishing program criteria, establishing project
34.20 eligibility guidelines, establishing application processes and additional selection criteria,
34.21 establishing annual monitoring and accountability mechanisms, facilitating leveraging of
34.22 additional public and private investments, and promoting the program statewide.

34.23 Subd. 4. **Meetings.** The commissioner must convene the advisory committee at
34.24 least two times per year to achieve the committee's duties.

34.25 Subd. 5. **Administrative support.** The commissioner of agriculture must provide
34.26 staffing, meeting space, and administrative services for the advisory committee.

34.27 Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee
34.28 shall serve as chair of the committee.

34.29 Subd. 7. **Compensation.** The public members of the advisory committee serve
34.30 without compensation or payment of expenses.

34.31 Subd. 8. **Expiration.** The advisory committee does not expire.

34.32 Sec. 6. Minnesota Statutes 2014, section 17.117, subdivision 4, is amended to read:

34.33 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this
34.34 subdivision have the meanings given them.

35.1 (b) "Agricultural and environmental revolving accounts" means accounts in the
35.2 agricultural fund, controlled by the commissioner, which hold funds available to the
35.3 program.

35.4 (c) "Agriculture supply business" means a person, partnership, joint venture,
35.5 corporation, limited liability company, association, firm, public service company,
35.6 or cooperative that provides materials, equipment, or services to farmers or
35.7 agriculture-related enterprises.

35.8 (d) "Allocation" means the funds awarded to an applicant for implementation of best
35.9 management practices through a competitive or noncompetitive application process.

35.10 (e) "Applicant" means a local unit of government eligible to participate in this
35.11 program that requests an allocation of funds as provided in subdivision 6b.

35.12 (f) "Best management practices" has the meaning given in sections 103F.711,
35.13 subdivision 3, and 103H.151, subdivision 2, ~~or~~. Best management practices also means
35.14 other practices, techniques, and measures that have been demonstrated to the satisfaction
35.15 of the commissioner: (1) to prevent or reduce adverse environmental impacts by using
35.16 the most effective and practicable means of achieving environmental goals; or (2) to
35.17 achieve drinking water quality standards under chapter 103H or under Code of Federal
35.18 Regulations, title 40, parts 141 and 143, as amended.

35.19 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner
35.20 applying for a low-interest loan.

35.21 (h) "Commissioner" means the commissioner of agriculture, including when the
35.22 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the
35.23 designee of the commissioner.

35.24 (i) "Committed project" means an eligible project scheduled to be implemented at
35.25 a future date:

35.26 (1) that has been approved and certified by the local government unit; and

35.27 (2) for which a local lender has obligated itself to offer a loan.

35.28 (j) "Comprehensive water management plan" means a state approved and locally
35.29 adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331,
35.30 103D.401, or 103D.405.

35.31 (k) "Cost incurred" means expenses for implementation of a project accrued because
35.32 the borrower has agreed to purchase equipment or is obligated to pay for services or
35.33 materials already provided as a result of implementing an approved eligible project.

35.34 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability
35.35 company, association, firm, public service company, or cooperative that regularly
35.36 participates in physical labor or operations management of farming and files a Schedule F

36.1 as part of filing United States Internal Revenue Service Form 1040 or indicates farming as
36.2 the primary business activity under Schedule C, K, or S, or any other applicable report to
36.3 the United States Internal Revenue Service.

36.4 (m) "Lender agreement" means an agreement entered into between the commissioner
36.5 and a local lender which contains terms and conditions of participation in the program.

36.6 (n) "Local government unit" means a county, soil and water conservation district,
36.7 or an organization formed for the joint exercise of powers under section 471.59 with
36.8 the authority to participate in the program.

36.9 (o) "Local lender" means a local government unit as defined in paragraph (n), a state
36.10 or federally chartered bank, a savings association, a state or federal credit union, Agribank
36.11 and its affiliated organizations, or a nonprofit economic development organization or other
36.12 financial lending institution approved by the commissioner.

36.13 (p) "Local revolving loan account" means the account held by a local government unit
36.14 and a local lender into which principal repayments from borrowers are deposited and new
36.15 loans are issued in accordance with the requirements of the program and lender agreements.

36.16 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

36.17 (r) "Program" means the agriculture best management practices loan program
36.18 in this section.

36.19 (s) "Project" means one or more components or activities located within Minnesota
36.20 that are required by the local government unit to be implemented for satisfactory
36.21 completion of an eligible best management practice.

36.22 (t) "Rural landowner" means the owner of record of Minnesota real estate located
36.23 in an area determined by the local government unit to be rural after consideration of
36.24 local land use patterns, zoning regulations, jurisdictional boundaries, local community
36.25 definitions, historical uses, and other pertinent local factors.

36.26 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph
36.27 (d), except as expressly limited in this section.

36.28 Sec. 7. Minnesota Statutes 2014, section 17.117, subdivision 11a, is amended to read:

36.29 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse
36.30 environmental impacts are eligible if:

36.31 (1) the project is eligible under the an allocation agreement and ~~funding sources~~
36.32 ~~designated by the local government unit to finance the project; and.~~

36.33 (2) (b) A manure management projects remediate project is eligible if the project
36.34 remediates or mitigate mitigates impacts from facilities with less than 1,000 animal units

37.1 as defined in Minnesota Rules, chapter 7020, and otherwise meets the requirements of
37.2 this section.

37.3 (c) A drinking water project is eligible if the project:

37.4 (1) remediates the adverse environmental impacts or presence of contaminants in
37.5 private well water;

37.6 (2) implements best management practices to achieve drinking water standards; and

37.7 (3) otherwise meets the requirements of this section.

37.8 Sec. 8. **[17.119] TRACTOR ROLLOVER PROTECTION PILOT GRANT**
37.9 **PROGRAM.**

37.10 Subdivision 1. **Grants; eligibility.** (a) The commissioner must award cost-share
37.11 grants to Minnesota farmers who retrofit eligible tractors and Minnesota schools that
37.12 retrofit eligible tractors with eligible rollover protective structures. Grants are limited to
37.13 70 percent of the farmer's or school's documented cost to purchase, ship, and install an
37.14 eligible rollover protective structure. The commissioner must increase the grant award
37.15 amount over the 70 percent grant limitation requirement if necessary to limit a farmer's or
37.16 school's cost per tractor to no more than \$500.

37.17 (b) A rollover protective structure is eligible if it meets or exceeds SAE International
37.18 standard J2194.

37.19 (c) A tractor is eligible if the tractor was built before 1987.

37.20 Subd. 2. **Promotion; administration.** The commissioner may spend up to 20
37.21 percent of total program dollars each fiscal year to promote and administer the program to
37.22 Minnesota farmers and schools.

37.23 Subd. 3. **Nonstate sources; appropriation.** The commissioner must accept
37.24 contributions from nonstate sources to supplement state appropriations for this program.
37.25 Contributions received under this subdivision are appropriated to the commissioner for
37.26 purposes of this section.

37.27 Subd. 4. **Expiration.** This section expires on June 30, 2019.

37.28 Sec. 9. Minnesota Statutes 2014, section 18B.26, subdivision 3, is amended to read:

37.29 **Subd. 3. **Registration application and gross sales fee.**** (a) For an agricultural
37.30 pesticide, a registrant shall pay an annual registration application fee for each agricultural
37.31 pesticide of \$350. The fee is due by December 31 preceding the year for which the
37.32 application for registration is made. The fee is nonrefundable.

37.33 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual
37.34 registration application fee for each nonagricultural pesticide of \$350. The fee is due by

38.1 December 31 preceding the year for which the application for registration is made. The fee
 38.2 is nonrefundable. ~~The~~ If the registrant's annual gross sales of the nonagricultural pesticide
 38.3 exceeded \$70,000 in the previous calendar year, the registrant of a nonagricultural pesticide
 38.4 shall pay, in addition to the \$350 minimum fee, a fee of equal to 0.5 percent of that portion
 38.5 of the annual gross sales of the over \$70,000. For purposes of this subdivision, gross sales
 38.6 includes both nonagricultural pesticide sold in the state and the annual gross sales of the
 38.7 nonagricultural pesticide sold into the state for use in this state. No additional fee is
 38.8 required if the fee due amount based on percent of annual gross sales of a nonagricultural
 38.9 pesticide is less than \$10. The registrant shall secure sufficient sales information of
 38.10 nonagricultural pesticides distributed into this state from distributors and dealers,
 38.11 regardless of distributor location, to make a determination. Sales of nonagricultural
 38.12 pesticides in this state and sales of nonagricultural pesticides for use in this state by
 38.13 out-of-state distributors are not exempt and must be included in the registrant's annual
 38.14 report, as required under paragraph (g), and fees shall be paid by the registrant based upon
 38.15 those reported sales. Sales of nonagricultural pesticides in the state for use outside of
 38.16 the state are exempt from the gross sales fee in this paragraph if the registrant properly
 38.17 documents the sale location and distributors. A registrant paying more than the minimum
 38.18 fee shall pay the balance due by March 1 based on the gross sales of the nonagricultural
 38.19 pesticide by the registrant for the preceding calendar year. A pesticide determined by the
 38.20 commissioner to be a sanitizer or disinfectant is exempt from the gross sales fee.

38.21 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed
 38.22 pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the
 38.23 agricultural pesticide in the state and the annual gross sales of the agricultural pesticide
 38.24 sold into the state for use in this state.

38.25 (d) In those cases where a registrant first sells an agricultural pesticide in or into the
 38.26 state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer
 38.27 license and is responsible for payment of the annual gross sales fee under paragraph (c),
 38.28 record keeping under paragraph (i), and all other requirements of section 18B.316.

38.29 (e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013,
 38.30 by the commissioner on the registration and sale of pesticides is less than \$6,600,000, the
 38.31 commissioner, after a public hearing, may increase proportionally the pesticide sales and
 38.32 product registration fees under this chapter by the amount necessary to ensure this level
 38.33 of revenue is achieved. The authority under this section expires on June 30, 2014. The
 38.34 commissioner shall report any fee increases under this paragraph 60 days before the fee
 38.35 change is effective to the senate and house of representatives agriculture budget divisions.

39.1 (f) An additional fee of 50 percent of the registration application fee must be paid by
39.2 the applicant for each pesticide to be registered if the application is a renewal application
39.3 that is submitted after December 31.

39.4 (g) A registrant must annually report to the commissioner the amount, type and
39.5 annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or
39.6 otherwise distributed in the state. The report shall be filed by March 1 for the previous
39.7 year's registration. The commissioner shall specify the form of the report or approve
39.8 the method for submittal of the report and may require additional information deemed
39.9 necessary to determine the amount and type of nonagricultural pesticide annually
39.10 distributed in the state. The information required shall include the brand name, United
39.11 States Environmental Protection Agency registration number, and amount of each
39.12 nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but
39.13 the information collected, if made public, shall be reported in a manner which does not
39.14 identify a specific brand name in the report.

39.15 (h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually
39.16 report to the commissioner the amount, type, and annual gross sales of each registered
39.17 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the
39.18 state for use in the state. The report must be filed by January 31 for the previous year's
39.19 sales. The commissioner shall specify the form, contents, and approved electronic method
39.20 for submittal of the report and may require additional information deemed necessary to
39.21 determine the amount and type of agricultural pesticide annually distributed within the
39.22 state or into the state. The information required must include the brand name, United States
39.23 Environmental Protection Agency registration number, and amount of each agricultural
39.24 pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

39.25 (i) A person who registers a pesticide with the commissioner under paragraph (b),
39.26 or a registrant under paragraph (d), shall keep accurate records for five years detailing
39.27 all distribution or sales transactions into the state or in the state and subject to a fee and
39.28 surcharge under this section.

39.29 (j) The records are subject to inspection, copying, and audit by the commissioner
39.30 and must clearly demonstrate proof of payment of all applicable fees and surcharges
39.31 for each registered pesticide product sold for use in this state. A person who is located
39.32 outside of this state must maintain and make available records required by this subdivision
39.33 in this state or pay all costs incurred by the commissioner in the inspecting, copying, or
39.34 auditing of the records.

40.1 (k) The commissioner may adopt by rule regulations that require persons subject
40.2 to audit under this section to provide information determined by the commissioner to be
40.3 necessary to enable the commissioner to perform the audit.

40.4 (l) A registrant who is required to pay more than the minimum fee for any pesticide
40.5 under paragraph (b) must pay a late fee penalty of \$100 for each pesticide application fee
40.6 paid after March 1 in the year for which the license is to be issued.

40.7 Sec. 10. Minnesota Statutes 2014, section 41A.12, subdivision 2, is amended to read:

40.8 Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner
40.9 may issue grants, loans, or other forms of financial assistance. Eligible activities include,
40.10 but are not limited to, grants to livestock producers under the livestock investment grant
40.11 program under section 17.118, bioenergy awards ~~made by the NextGen Energy Board~~
40.12 ~~under section 41A.105~~, cost-share grants for the installation of biofuel blender pumps, and
40.13 financial assistance to support other rural economic infrastructure activities.

40.14 Sec. 11. Minnesota Statutes 2015 Supplement, section 41A.14, is amended to read:

40.15 **41A.14 AGRICULTURE RESEARCH, EDUCATION, EXTENSION, AND**
40.16 **TECHNOLOGY TRANSFER GRANT PROGRAM.**

40.17 Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and
40.18 technology transfer grant program is created. The purpose of the grant program is to
40.19 provide investments that will most efficiently achieve long-term agricultural productivity
40.20 increases through improved infrastructure, vision, and accountability. The scope and
40.21 intent of the grants, to the extent possible, shall provide for a long-term base funding
40.22 that allows the ~~research~~ grantee to continue the functions of the research, education, and
40.23 extension, and technology transfer efforts to a practical conclusion. Priority for grants
40.24 shall be given to human infrastructure. The commissioner shall provide grants for:

40.25 (1) agricultural research, extension, and technology transfer needs ~~and recipients~~
40.26 ~~including agricultural research and extension at the University of Minnesota, research and~~
40.27 ~~outreach centers, the College of Food, Agricultural and Natural Resource Sciences, the~~
40.28 ~~Minnesota Agricultural Experiment Station, University of Minnesota Extension Service,~~
40.29 ~~the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory,~~
40.30 ~~the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and~~
40.31 ~~Education Council; for use by any of the following:~~

40.32 (i) the College of Food, Agricultural and Natural Resource Sciences;

40.33 (ii) the Minnesota Agricultural Experiment Station;

40.34 (iii) the University of Minnesota Extension Service;

- 41.1 (iv) the University of Minnesota Veterinary School;
41.2 (v) the Veterinary Diagnostic Laboratory; or
41.3 (vi) the Stakman-Borlaug Center;
41.4 (2) agriculture rapid response for plant and animal diseases and pests; and
41.5 (3) agricultural education including but not limited to the Minnesota Agriculture
41.6 Education Leadership Council, farm business management, mentoring programs, graduate
41.7 debt forgiveness, and high school programs.

41.8 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the
41.9 commissioner and a representative of the College of Food, Agricultural and Natural
41.10 Resource Sciences at the University of Minnesota must consult with an advisory panel
41.11 consisting of the following stakeholders:

- 41.12 ~~(1) a representative of the College of Food, Agricultural and Natural Resource~~
41.13 ~~Sciences at the University of Minnesota;~~
41.14 ~~(2)~~ (1) a representative of the Minnesota State Colleges and Universities system;
41.15 ~~(3)~~ (2) a representative of the Minnesota Farm Bureau;
41.16 ~~(4)~~ (3) a representative of the Minnesota Farmers Union;
41.17 ~~(5)~~ (4) a person representing agriculture industry statewide;
41.18 ~~(6)~~ (5) a representative of each of the state commodity councils organized under
41.19 section 17.54 and the Minnesota Pork Board;
41.20 ~~(7)~~ (6) a person representing an association of primary manufacturers of forest
41.21 products;
41.22 ~~(8)~~ (7) a person representing organic or sustainable agriculture; and
41.23 ~~(9)~~ (8) a person representing statewide environment and natural resource
41.24 conservation organizations.

41.25 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their
41.26 respective organizations.

41.27 Subd. 3. **Account.** An agriculture research, education, extension, and technology
41.28 transfer account is created in the agricultural fund in the state treasury. The account
41.29 consists of money received in the form of gifts, grants, reimbursement, or appropriations
41.30 from any source for any of the purposes provided in subdivision 1, and any interest or
41.31 earnings of the account. Money in the account is appropriated to the commissioner of
41.32 agriculture for the purposes under subdivision 1.

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

41.34 Sec. 12. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
41.35 subdivision to read:

42.1 Subd. 2a. **Biobased content.** "Biobased content" means a chemical, polymer,
42.2 monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a
42.3 biobased percentage of at least 51 percent as determined by testing representative samples
42.4 using American Society for Testing and Materials specification D6866.

42.5 Sec. 13. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
42.6 subdivision to read:

42.7 Subd. 2b. **Biobased formulated product.** "Biobased formulated product" means
42.8 a product that is not sold primarily for use as food, feed, or fuel and that has a biobased
42.9 content percentage of at least ten percent as determined by testing representative samples
42.10 using American Society for Testing and Materials specification D6866, or that contains
42.11 a biobased chemical constituent that displaces a known hazardous or toxic constituent
42.12 previously used in the product formulation.

42.13 Sec. 14. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
42.14 subdivision to read:

42.15 Subd. 2c. **Biobutanol.** "Biobutanol" means fermentation isobutyl alcohol that is
42.16 derived from agricultural products, including potatoes, cereal grains, cheese whey, and
42.17 sugar beets; forest products; or other renewable resources, including residue and waste
42.18 generated from the production, processing, and marketing of agricultural products, forest
42.19 products, and other renewable resources.

42.20 Sec. 15. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
42.21 subdivision to read:

42.22 Subd. 2d. **Biobutanol facility.** "Biobutanol facility" means a facility at which
42.23 biobutanol is produced.

42.24 Sec. 16. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
42.25 subdivision to read:

42.26 Subd. 9a. **Quarterly.** "Quarterly" means any of the following three-month intervals
42.27 in a calendar year: January through March, April through June, July through September,
42.28 or October through December.

42.29 Sec. 17. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 10, is
42.30 amended to read:

43.1 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with
43.2 biobased content as defined in section 41A.105, subdivision 1a.

43.3 Sec. 18. Minnesota Statutes 2015 Supplement, section 41A.16, subdivision 1, is
43.4 amended to read:

43.5 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
43.6 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
43.7 less from the state border, raw materials may be sourced from within a 100-mile radius.
43.8 Raw materials must be from agricultural or forestry sources or from solid waste. The
43.9 facility must be located in Minnesota, must begin production at a specific location by June
43.10 30, 2025, and must not begin operating above ~~95,000~~ 23,750 MMbtu of ~~annual~~ quarterly
43.11 biofuel production before July 1, 2015. Eligible facilities include existing companies and
43.12 facilities that are adding advanced biofuel production capacity, or retrofitting existing
43.13 capacity, as well as new companies and facilities. Production of conventional corn ethanol
43.14 and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must
43.15 produce at least ~~95,000~~ 23,750 MMbtu ~~a year~~ of biofuel quarterly.

43.16 (b) No payments shall be made for advanced biofuel production that occurs after
43.17 June 30, 2035, for those eligible biofuel producers under paragraph (a).

43.18 (c) An eligible producer of advanced biofuel shall not transfer the producer's
43.19 eligibility for payments under this section to an advanced biofuel facility at a different
43.20 location.

43.21 (d) A producer that ceases production for any reason is ineligible to receive
43.22 payments under this section until the producer resumes production.

43.23 (e) Renewable chemical production for which payment has been received under
43.24 section 41A.17, and biomass thermal production for which payment has been received
43.25 under section 41A.18, are not eligible for payment under this section.

43.26 (f) Biobutanol is eligible under this section.

43.27 Sec. 19. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 1, is
43.28 amended to read:

43.29 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program
43.30 must source at least 80 percent biobased content, ~~as defined in section 41A.105,~~
43.31 ~~subdivision 1a, clause (1),~~ from Minnesota. If a facility is sited 50 miles or less from the
43.32 state border, biobased content must be sourced from within a 100-mile radius. Biobased
43.33 content must be from agricultural or forestry sources or from solid waste. The facility must
43.34 be located in Minnesota, must begin production at a specific location by June 30, 2025, and

44.1 must not begin production of ~~3,000,000~~ 750,000 pounds of chemicals ~~annually~~ quarterly
44.2 before January 1, 2015. Eligible facilities include existing companies and facilities that are
44.3 adding production capacity, or retrofitting existing capacity, as well as new companies and
44.4 facilities. Eligible renewable chemical facilities must produce at least ~~3,000,000~~ 750,000
44.5 pounds ~~per year~~ of renewable chemicals quarterly. Renewable chemicals produced
44.6 through processes that are fully commercial before January 1, 2000, are not eligible.

44.7 (b) No payments shall be made for renewable chemical production that occurs after
44.8 June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

44.9 (c) An eligible producer of renewable chemicals shall not transfer the producer's
44.10 eligibility for payments under this section to a renewable chemical facility at a different
44.11 location.

44.12 (d) A producer that ceases production for any reason is ineligible to receive
44.13 payments under this section until the producer resumes production.

44.14 (e) Advanced biofuel production for which payment has been received under section
44.15 41A.16, and biomass thermal production for which payment has been received under
44.16 section 41A.18, are not eligible for payment under this section.

44.17 Sec. 20. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 2, is
44.18 amended to read:

44.19 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make
44.20 payments to eligible producers of renewable chemicals located in the state. The amount of
44.21 the payment for each producer's annual production is \$0.03 per pound of sugar-derived
44.22 renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of
44.23 cellulosic-derived renewable chemical produced at a specific location for ten years after
44.24 the start of production.

44.25 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
44.26 biomass is eligible for a 20 percent bonus payment for each ~~MMBtu~~ pound produced from
44.27 agricultural biomass that is derived from perennial crop or cover crop biomass.

44.28 (c) Total payments under this section to an eligible renewable chemical producer in
44.29 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
44.30 chemical production. Total payments under this section to all eligible renewable chemical
44.31 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
44.32 renewable chemical production. The commissioner shall award payments on a first-come,
44.33 first-served basis within the limits of available funding.

44.34 (d) For purposes of this section, an entity that holds a controlling interest in more
44.35 than one renewable chemical production facility is considered a single eligible producer.

45.1 Sec. 21. Minnesota Statutes 2015 Supplement, section 41A.18, subdivision 1, is
45.2 amended to read:

45.3 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
45.4 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
45.5 less from the state border, raw materials should be sourced from within a 100-mile radius.
45.6 Raw materials must be from agricultural or forestry sources. The facility must be located
45.7 in Minnesota, must have begun production at a specific location by June 30, 2025, and
45.8 must not begin before July 1, 2015. Eligible facilities include existing companies and
45.9 facilities that are adding production capacity, or retrofitting existing capacity, as well as
45.10 new companies and facilities. Eligible biomass thermal production facilities must produce
45.11 at least ~~1,000~~ 250 MMBtu ~~per year~~ of biomass thermal quarterly.

45.12 (b) No payments shall be made for biomass thermal production that occurs after June
45.13 30, 2035, for those eligible biomass thermal producers under paragraph (a).

45.14 (c) An eligible producer of biomass thermal production shall not transfer the
45.15 producer's eligibility for payments under this section to a biomass thermal production
45.16 facility at a different location.

45.17 (d) A producer that ceases production for any reason is ineligible to receive
45.18 payments under this section until the producer resumes production.

45.19 (e) Biofuel production for which payment has been received under section 41A.16,
45.20 and renewable chemical production for which payment has been received under section
45.21 41A.17, are not eligible for payment under this section.

45.22 Sec. 22. **[41A.20] SIDING PRODUCTION INCENTIVE.**

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

45.25 (b) "Commissioner" means the commissioner of agriculture.

45.26 (c) "Forest resources" means raw wood logs and material primarily made up of
45.27 cellulose, hemicellulose, or lignin, or a combination of those ingredients.

45.28 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must
45.29 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles
45.30 or less from the state border, raw materials may be sourced from within a 100-mile
45.31 radius. Raw materials must be from forest resources. The facility must be located in
45.32 Minnesota, must begin production at a specific location by June 30, 2025, and must not
45.33 begin operating before July 1, 2017. Eligible facilities include existing companies and
45.34 facilities that are adding siding production capacity, or retrofitting existing capacity, as

46.1 well as new companies and facilities. Eligible siding production facilities must produce at
46.2 least 200,000,000 siding square feet on a 3/8 inch nominal basis of siding each year.

46.3 (b) No payments shall be made for siding production that occurs after June 30, 2035,
46.4 for those eligible producers under paragraph (a).

46.5 (c) An eligible producer of siding shall not transfer the producer's eligibility for
46.6 payments under this section to a facility at a different location.

46.7 (d) A producer that ceases production for any reason is ineligible to receive
46.8 payments under this section until the producer resumes production.

46.9 Subd. 3. **Payment amounts; limits.** (a) The commissioner shall make payments
46.10 to eligible producers of siding. The amount of the payment for each eligible producer's
46.11 annual production is \$7.50 per 1,000 siding square feet on a 3/8 inch nominal basis of
46.12 siding produced at a specific location for ten years after the start of production.

46.13 (b) Total payments under this section to an eligible siding producer in a fiscal year
46.14 may not exceed the amount necessary for 400,000,000 siding square feet on a 3/8 inch
46.15 nominal basis of siding produced. Total payments under this section to all eligible siding
46.16 producers in a fiscal year may not exceed the amount necessary for 400,000,000 siding
46.17 square feet on a 3/8 inch nominal basis of siding produced. The commissioner shall award
46.18 payments on a first-come, first-served basis within the limits of available funding.

46.19 (c) For purposes of this section, an entity that holds a controlling interest in more
46.20 than one siding facility is considered a single eligible producer.

46.21 Subd. 4. **Forest resources requirements.** Forest resources that come from land
46.22 parcels greater than 160 acres must be certified by the Forest Stewardship Council,
46.23 Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from
46.24 parcels of 160 acres or less and federal land must be harvested by a logger who has
46.25 completed training from the Minnesota logger education program or the equivalent, and
46.26 have a forest stewardship plan.

46.27 Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each
46.28 eligible siding producer shall file a claim for payment for siding production during the
46.29 preceding three calendar months. An eligible siding producer that files a claim under this
46.30 subdivision shall include a statement of the eligible producer's total board feet of siding
46.31 produced during the quarter covered by the claim. For each claim and statement of total
46.32 board feet of siding filed under this subdivision, the board feet of siding produced must
46.33 be examined by a certified public accounting firm with a valid permit to practice under
46.34 chapter 326A, in accordance with Statements on Standards for Attestation Engagements
46.35 established by the American Institute of Certified Public Accountants.

47.1 (b) The commissioner must issue payments by November 15, February 15, May 15,
47.2 and August 15. A separate payment must be made for each claim filed.

47.3 Subd. 6. **Appropriation.** A sum sufficient to make the payments required by this
47.4 section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated from the
47.5 general fund to the commissioner.

47.6 Sec. 23. Minnesota Statutes 2015 Supplement, section 116D.04, subdivision 2a,
47.7 is amended to read:

47.8 Subd. 2a. **When prepared.** Where there is potential for significant environmental
47.9 effects resulting from any major governmental action, the action shall be preceded by a
47.10 detailed environmental impact statement prepared by the responsible governmental unit.
47.11 The environmental impact statement shall be an analytical rather than an encyclopedic
47.12 document which describes the proposed action in detail, analyzes its significant
47.13 environmental impacts, discusses appropriate alternatives to the proposed action and
47.14 their impacts, and explores methods by which adverse environmental impacts of an
47.15 action could be mitigated. The environmental impact statement shall also analyze those
47.16 economic, employment, and sociological effects that cannot be avoided should the action
47.17 be implemented. To ensure its use in the decision-making process, the environmental
47.18 impact statement shall be prepared as early as practical in the formulation of an action.

47.19 (a) The board shall by rule establish categories of actions for which environmental
47.20 impact statements and for which environmental assessment worksheets shall be prepared
47.21 as well as categories of actions for which no environmental review is required under this
47.22 section. A mandatory environmental assessment worksheet shall not be required for the
47.23 expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph
47.24 (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a
47.25 biobutanol facility as defined in section ~~41A.105~~ 41A.15, subdivision ~~1a~~ 2d, based on
47.26 the capacity of the expanded or converted facility to produce alcohol fuel, but must be
47.27 required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other
47.28 categories of actions for which environmental assessment worksheets must be prepared.
47.29 The responsible governmental unit for an ethanol plant or biobutanol facility project for
47.30 which an environmental assessment worksheet is prepared shall be the state agency with
47.31 the greatest responsibility for supervising or approving the project as a whole.

47.32 A mandatory environmental impact statement shall not be required for a facility
47.33 or plant located outside the seven-county metropolitan area that produces less than
47.34 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less
47.35 than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as

48.1 defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined
48.2 in section ~~41A.105~~ 41A.15, subdivision ~~1a~~, ~~clause (1)~~ 2d; or a cellulosic biofuel facility.
48.3 A facility or plant that only uses a cellulosic feedstock to produce chemical products for
48.4 use by another facility as a feedstock shall not be considered a fuel conversion facility as
48.5 used in rules adopted under this chapter.

48.6 (b) The responsible governmental unit shall promptly publish notice of the
48.7 completion of an environmental assessment worksheet by publishing the notice in at least
48.8 one newspaper of general circulation in the geographic area where the project is proposed,
48.9 by posting the notice on a Web site that has been designated as the official publication site
48.10 for publication of proceedings, public notices, and summaries of a political subdivision in
48.11 which the project is proposed, or in any other manner determined by the board and shall
48.12 provide copies of the environmental assessment worksheet to the board and its member
48.13 agencies. Comments on the need for an environmental impact statement may be submitted
48.14 to the responsible governmental unit during a 30-day period following publication of the
48.15 notice that an environmental assessment worksheet has been completed. The responsible
48.16 governmental unit's decision on the need for an environmental impact statement shall be
48.17 based on the environmental assessment worksheet and the comments received during the
48.18 comment period, and shall be made within 15 days after the close of the comment period.
48.19 The board's chair may extend the 15-day period by not more than 15 additional days upon
48.20 the request of the responsible governmental unit.

48.21 (c) An environmental assessment worksheet shall also be prepared for a proposed
48.22 action whenever material evidence accompanying a petition by not less than 100
48.23 individuals who reside or own property in the state, submitted before the proposed
48.24 project has received final approval by the appropriate governmental units, demonstrates
48.25 that, because of the nature or location of a proposed action, there may be potential for
48.26 significant environmental effects. Petitions requesting the preparation of an environmental
48.27 assessment worksheet shall be submitted to the board. The chair of the board shall
48.28 determine the appropriate responsible governmental unit and forward the petition to it.
48.29 A decision on the need for an environmental assessment worksheet shall be made by
48.30 the responsible governmental unit within 15 days after the petition is received by the
48.31 responsible governmental unit. The board's chair may extend the 15-day period by not
48.32 more than 15 additional days upon request of the responsible governmental unit.

48.33 (d) Except in an environmentally sensitive location where Minnesota Rules, part
48.34 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental
48.35 review under this chapter and rules of the board, if:

48.36 (1) the proposed action is:

49.1 (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or
49.2 (ii) an expansion of an existing animal feedlot facility with a total cumulative
49.3 capacity of less than 1,000 animal units;

49.4 (2) the application for the animal feedlot facility includes a written commitment by
49.5 the proposer to design, construct, and operate the facility in full compliance with Pollution
49.6 Control Agency feedlot rules; and

49.7 (3) the county board holds a public meeting for citizen input at least ten business
49.8 days prior to the Pollution Control Agency or county issuing a feedlot permit for the
49.9 animal feedlot facility unless another public meeting for citizen input has been held with
49.10 regard to the feedlot facility to be permitted. The exemption in this paragraph is in
49.11 addition to other exemptions provided under other law and rules of the board.

49.12 (e) The board may, prior to final approval of a proposed project, require preparation
49.13 of an environmental assessment worksheet by a responsible governmental unit selected
49.14 by the board for any action where environmental review under this section has not been
49.15 specifically provided for by rule or otherwise initiated.

49.16 (f) An early and open process shall be utilized to limit the scope of the environmental
49.17 impact statement to a discussion of those impacts, which, because of the nature or location
49.18 of the project, have the potential for significant environmental effects. The same process
49.19 shall be utilized to determine the form, content and level of detail of the statement as well
49.20 as the alternatives which are appropriate for consideration in the statement. In addition,
49.21 the permits which will be required for the proposed action shall be identified during the
49.22 scoping process. Further, the process shall identify those permits for which information
49.23 will be developed concurrently with the environmental impact statement. The board
49.24 shall provide in its rules for the expeditious completion of the scoping process. The
49.25 determinations reached in the process shall be incorporated into the order requiring the
49.26 preparation of an environmental impact statement.

49.27 (g) The responsible governmental unit shall, to the extent practicable, avoid
49.28 duplication and ensure coordination between state and federal environmental review
49.29 and between environmental review and environmental permitting. Whenever practical,
49.30 information needed by a governmental unit for making final decisions on permits
49.31 or other actions required for a proposed project shall be developed in conjunction
49.32 with the preparation of an environmental impact statement. When an environmental
49.33 impact statement is prepared for a project requiring multiple permits for which two or
49.34 more agencies' decision processes include either mandatory or discretionary hearings
49.35 before a hearing officer prior to the agencies' decision on the permit, the agencies
49.36 may, notwithstanding any law or rule to the contrary, conduct the hearings in a single

50.1 consolidated hearing process if requested by the proposer. All agencies having jurisdiction
50.2 over a permit that is included in the consolidated hearing shall participate. The responsible
50.3 governmental unit shall establish appropriate procedures for the consolidated hearing
50.4 process, including procedures to ensure that the consolidated hearing process is consistent
50.5 with the applicable requirements for each permit regarding the rights and duties of parties to
50.6 the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.

50.7 (h) An environmental impact statement shall be prepared and its adequacy
50.8 determined within 280 days after notice of its preparation unless the time is extended by
50.9 consent of the parties or by the governor for good cause. The responsible governmental
50.10 unit shall determine the adequacy of an environmental impact statement, unless within 60
50.11 days after notice is published that an environmental impact statement will be prepared,
50.12 the board chooses to determine the adequacy of an environmental impact statement. If an
50.13 environmental impact statement is found to be inadequate, the responsible governmental
50.14 unit shall have 60 days to prepare an adequate environmental impact statement.

50.15 (i) The proposer of a specific action may include in the information submitted to the
50.16 responsible governmental unit a preliminary draft environmental impact statement under
50.17 this section on that action for review, modification, and determination of completeness and
50.18 adequacy by the responsible governmental unit. A preliminary draft environmental impact
50.19 statement prepared by the project proposer and submitted to the responsible governmental
50.20 unit shall identify or include as an appendix all studies and other sources of information
50.21 used to substantiate the analysis contained in the preliminary draft environmental impact
50.22 statement. The responsible governmental unit shall require additional studies, if needed,
50.23 and obtain from the project proposer all additional studies and information necessary for
50.24 the responsible governmental unit to perform its responsibility to review, modify, and
50.25 determine the completeness and adequacy of the environmental impact statement.

50.26 Sec. 24. Minnesota Statutes 2015 Supplement, section 583.215, is amended to read:

50.27 **583.215 EXPIRATION.**

50.28 Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20
50.29 to 583.32, expire June 30, ~~2016~~ 2018.

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

50.31 Sec. 25. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 2,
50.32 is amended to read:

50.33 Subd. 2. **Protection Services** 16,452,000 16,402,000

Appropriations by Fund			
		2016	2017
51.1			
51.2			
51.3	General	15,874,000	15,824,000
51.4	Agricultural	190,000	190,000
51.5	Remediation	388,000	388,000

51.6 \$25,000 the first year and \$25,000 the second
 51.7 year are to develop and maintain cottage
 51.8 food license exemption outreach and training
 51.9 materials.

51.10 \$75,000 the first year is for the commissioner,
 51.11 in consultation with the Northeast Regional
 51.12 Corrections Center and the United Food
 51.13 and Commercial Workers, to study and
 51.14 provide recommendations for upgrading the
 51.15 existing processing facility on the campus of
 51.16 the Northeast Regional Corrections Center
 51.17 into a USDA-certified food processing
 51.18 facility. The commissioner shall report these
 51.19 recommendations to the chairs of the house
 51.20 of representatives and senate committees
 51.21 with jurisdiction over agriculture finance by
 51.22 March 15, 2016.

51.23 \$75,000 the second year is ~~for a coordinator~~
 51.24 ~~for~~ to coordinate the correctional facility
 51.25 vocational training pilot program and to assist
 51.26 entities that have explored the feasibility of
 51.27 establishing a USDA-certified or state "equal
 51.28 to" food processing facility within 30 miles of
 51.29 the Northeast Regional Corrections Center.

51.30 \$388,000 the first year and \$388,000 the
 51.31 second year are from the remediation fund
 51.32 for administrative funding for the voluntary
 51.33 cleanup program.

51.34 \$225,000 the first year and \$175,000
 51.35 the second year are for compensation

52.1 for destroyed or crippled animals under
52.2 Minnesota Statutes, section 3.737. This
52.3 appropriation may be spent to compensate
52.4 for animals that were destroyed or crippled
52.5 during fiscal years 2014 and 2015. If the
52.6 amount in the first year is insufficient, the
52.7 amount in the second year is available in the
52.8 first year.

52.9 \$125,000 the first year and \$125,000 the
52.10 second year are for compensation for crop
52.11 damage under Minnesota Statutes, section
52.12 3.7371. If the amount in the first year is
52.13 insufficient, the amount in the second year is
52.14 available in the first year.

52.15 If the commissioner determines that claims
52.16 made under Minnesota Statutes, section
52.17 3.737 or 3.7371, are unusually high, amounts
52.18 appropriated for either program may be
52.19 transferred to the appropriation for the other
52.20 program.

52.21 \$70,000 the first year and \$70,000 the second
52.22 year are for additional cannery inspections.

52.23 \$100,000 the first year and \$100,000 the
52.24 second year are for increased oversight of
52.25 delegated local health boards.

52.26 \$100,000 the first year and \$100,000 the
52.27 second year are to decrease the turnaround
52.28 time for retail food handler plan reviews.

52.29 \$1,024,000 the first year and \$1,024,000 the
52.30 second year are to streamline the retail food
52.31 safety regulatory and licensing experience
52.32 for regulated businesses and to decrease the
52.33 inspection delinquency rate.

53.1 \$1,350,000 the first year and \$1,350,000 the
 53.2 second year are for additional inspections of
 53.3 food manufacturers and wholesalers.

53.4 \$150,000 the first year and \$150,000 the
 53.5 second year are for additional funding for
 53.6 dairy inspection services.

53.7 \$150,000 the first year and \$150,000 the
 53.8 second year are for additional funding for
 53.9 laboratory services operations.

53.10 \$250,000 the first year and \$250,000
 53.11 the second year are for additional meat
 53.12 inspection services, including inspections
 53.13 provided under the correctional facility
 53.14 vocational training pilot program.

53.15 Notwithstanding Minnesota Statutes, section
 53.16 18B.05, \$90,000 the first year and \$90,000
 53.17 the second year are from the pesticide
 53.18 regulatory account in the agricultural fund
 53.19 for an increase in the operating budget for
 53.20 the Laboratory Services Division.

53.21 \$100,000 the first year and \$100,000 the
 53.22 second year are from the pesticide regulatory
 53.23 account in the agricultural fund to update
 53.24 and modify applicator education and training
 53.25 materials.

53.26 Sec. 26. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4,
 53.27 is amended to read:

53.28 Subd. 4. **Agriculture, Bioenergy, and**
 53.29 **Bioproduct Advancement**

	14,993,000	19,010,000
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53.30 \$4,483,000 the first year and \$8,500,000 the
 53.31 second year are for transfer to the agriculture
 53.32 research, education, extension, and
 53.33 technology transfer account under Minnesota

54.1 Statutes, section 41A.14, subdivision 3.

54.2 The transfer in this paragraph includes

54.3 money for plant breeders at the University

54.4 of Minnesota for wild rice, potatoes, and

54.5 grapes. Of these amounts, at least \$600,000

54.6 each year is for ~~agriculture rapid response~~

54.7 the Minnesota Agricultural Experiment

54.8 Station's Agriculture Rapid Response Fund

54.9 under Minnesota Statutes, section 41A.14,

54.10 subdivision 1, clause (2). Of the amount

54.11 appropriated in this paragraph, \$1,000,000

54.12 each year is for transfer to the Board of

54.13 Regents of the University of Minnesota for

54.14 research to determine (1) what is causing

54.15 avian influenza, (2) why some fowl are more

54.16 susceptible, and (3) prevention measures that

54.17 can be taken. Of the amount appropriated

54.18 in this paragraph, \$2,000,000 each year

54.19 is for grants to the Minnesota Agriculture

54.20 Education Leadership Council to enhance

54.21 agricultural education with priority given

54.22 to Farm Business Management challenge

54.23 grants. The commissioner shall transfer the

54.24 remaining grant funds in this appropriation

54.25 each year to the Board of Regents of the

54.26 University of Minnesota for purposes of

54.27 Minnesota Statutes, section 41A.14.

54.28 To the extent practicable, funds expended

54.29 under Minnesota Statutes, section 41A.14,

54.30 subdivision 1, clauses (1) and (2), must

54.31 supplement and not supplant existing sources

54.32 and levels of funding. The commissioner may

54.33 use up to 4.5 percent of this appropriation

54.34 for costs incurred to administer the program.

54.35 Any unencumbered balance does not cancel

55.1 at the end of the first year and is available for
55.2 the second year.

55.3 \$10,235,000 the first year and \$10,235,000
55.4 the second year are for the agricultural
55.5 growth, research, and innovation program
55.6 in Minnesota Statutes, section 41A.12. No
55.7 later than February 1, 2016, and February
55.8 1, 2017, the commissioner must report to
55.9 the legislative committees with jurisdiction
55.10 over agriculture policy and finance regarding
55.11 the commissioner's accomplishments
55.12 and anticipated accomplishments in
55.13 the following areas: facilitating the
55.14 start-up, modernization, or expansion of
55.15 livestock operations including beginning
55.16 and transitioning livestock operations;
55.17 developing new markets for Minnesota
55.18 farmers by providing more fruits, vegetables,
55.19 meat, grain, and dairy for Minnesota school
55.20 children; assisting value-added agricultural
55.21 businesses to begin or expand, access new
55.22 markets, or diversify products; developing
55.23 urban agriculture; facilitating the start-up,
55.24 modernization, or expansion of other
55.25 beginning and transitioning farms including
55.26 loans under Minnesota Statutes, section
55.27 41B.056; sustainable agriculture on farm
55.28 research and demonstration; development or
55.29 expansion of food hubs and other alternative
55.30 community-based food distribution systems;
55.31 and research on bioenergy, biobased content,
55.32 or biobased formulated products and other
55.33 renewable energy development. The
55.34 commissioner may use up to 4.5 percent
55.35 of this appropriation for costs incurred to
55.36 administer the program. Any unencumbered

56.1 balance does not cancel at the end of the first
56.2 year and is available for the second year.
56.3 Notwithstanding Minnesota Statutes, section
56.4 16A.28, the appropriations encumbered
56.5 under contract on or before June 30, 2017, for
56.6 agricultural growth, research, and innovation
56.7 grants are available until June 30, 2019.

56.8 The commissioner may use funds
56.9 appropriated for the agricultural growth,
56.10 research, and innovation program as provided
56.11 in this paragraph. The commissioner may
56.12 award grants to owners of Minnesota
56.13 facilities producing bioenergy, biobased
56.14 content, or a biobased formulated product;
56.15 to organizations that provide for on-station,
56.16 on-farm field scale research and outreach to
56.17 develop and test the agronomic and economic
56.18 requirements of diverse strands of prairie
56.19 plants and other perennials for bioenergy
56.20 systems; or to certain nongovernmental
56.21 entities. For the purposes of this paragraph,
56.22 "bioenergy" includes transportation fuels
56.23 derived from cellulosic material, as well as
56.24 the generation of energy for commercial heat,
56.25 industrial process heat, or electrical power
56.26 from cellulosic materials via gasification or
56.27 other processes. Grants are limited to 50
56.28 percent of the cost of research, technical
56.29 assistance, or equipment related to bioenergy,
56.30 biobased content, or biobased formulated
56.31 product production or \$500,000, whichever
56.32 is less. Grants to nongovernmental entities
56.33 for the development of business plans and
56.34 structures related to community ownership
56.35 of eligible bioenergy facilities together may
56.36 not exceed \$150,000. The commissioner

57.1 shall make a good-faith effort to select
57.2 projects that have merit and, when taken
57.3 together, represent a variety of bioenergy
57.4 technologies, biomass feedstocks, and
57.5 geographic regions of the state. Projects
57.6 must have a qualified engineer provide
57.7 certification on the technology and fuel
57.8 source. Grantees must provide reports at the
57.9 request of the commissioner.

57.10 Of the amount appropriated for the
57.11 agricultural growth, research, and innovation
57.12 program in this subdivision, \$1,000,000 the
57.13 first year and \$1,000,000 the second year
57.14 are for distribution in equal amounts to each
57.15 of the state's county fairs to preserve and
57.16 promote Minnesota agriculture.

57.17 Of the amount appropriated for the
57.18 agricultural growth, research, and innovation
57.19 program in this subdivision, \$500,000 in
57.20 fiscal year 2016 and \$1,500,000 in fiscal
57.21 year 2017 are for incentive payments
57.22 under Minnesota Statutes, sections 41A.16,
57.23 41A.17, and 41A.18. If the appropriation
57.24 exceeds the total amount for which all
57.25 producers are eligible in a fiscal year, the
57.26 balance of the appropriation is available
57.27 to the commissioner for the agricultural
57.28 growth, research, and innovation program.
57.29 Notwithstanding Minnesota Statutes,
57.30 section 16A.28, the first year appropriation
57.31 is available until June 30, 2017, and the
57.32 second year appropriation is available until
57.33 June 30, 2018. The commissioner may use
57.34 up to 4.5 percent of the appropriation for
57.35 administration of the incentive payment
57.36 programs.

58.1 Of the amount appropriated for the
58.2 agricultural growth, research, and innovation
58.3 program in this subdivision, \$250,000
58.4 the first year is for grants to communities
58.5 to develop or expand food hubs and
58.6 other alternative community-based food
58.7 distribution systems. Of this amount,
58.8 \$50,000 is for the commissioner to consult
58.9 with existing food hubs, alternative
58.10 community-based food distribution systems,
58.11 and University of Minnesota Extension
58.12 to identify best practices for use by other
58.13 Minnesota communities. No later than
58.14 December 15, 2015, the commissioner must
58.15 report to the legislative committees with
58.16 jurisdiction over agriculture and health
58.17 regarding the status of emerging alternative
58.18 community-based food distribution systems
58.19 in the state along with recommendations
58.20 to eliminate any barriers to success. Any
58.21 unencumbered balance does not cancel at the
58.22 end of the first year and is available for the
58.23 second year. This is a onetime appropriation.

58.24 \$250,000 the first year and \$250,000 the
58.25 second year are for grants that enable
58.26 retail petroleum dispensers to dispense
58.27 biofuels to the public in accordance with the
58.28 biofuel replacement goals established under
58.29 Minnesota Statutes, section 239.7911. A
58.30 retail petroleum dispenser selling petroleum
58.31 for use in spark ignition engines for vehicle
58.32 model years after 2000 is eligible for grant
58.33 money under this paragraph if the retail
58.34 petroleum dispenser has no more than 15
58.35 retail petroleum dispensing sites and each
58.36 site is located in Minnesota. The grant

59.1 money received under this paragraph must
59.2 be used for the installation of appropriate
59.3 technology that uses fuel dispensing
59.4 equipment appropriate for at least one fuel
59.5 dispensing site to dispense gasoline that is
59.6 blended with 15 percent of agriculturally
59.7 derived, denatured ethanol, by volume, and
59.8 appropriate technical assistance related to
59.9 the installation. A grant award must not
59.10 exceed 85 percent of the cost of the technical
59.11 assistance and appropriate technology,
59.12 including remetering of and retrofits for
59.13 retail petroleum dispensers and replacement
59.14 of petroleum dispenser projects. The
59.15 commissioner may use up to \$35,000 of this
59.16 appropriation for administrative expenses.
59.17 The commissioner shall cooperate with
59.18 biofuel stakeholders in the implementation
59.19 of the grant program. The commissioner
59.20 must report to the legislative committees
59.21 with jurisdiction over agriculture policy and
59.22 finance by February 1 each year, detailing
59.23 the number of grants awarded under this
59.24 paragraph and the projected effect of the grant
59.25 program on meeting the biofuel replacement
59.26 goals under Minnesota Statutes, section
59.27 239.7911. These are onetime appropriations.
59.28 \$25,000 the first year and \$25,000 the second
59.29 year are for grants to the Southern Minnesota
59.30 Initiative Foundation to promote local foods
59.31 through an annual event that raises public
59.32 awareness of local foods and connects local
59.33 food producers and processors with potential
59.34 buyers.

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

60.1 Sec. 27. Laws 2015, First Special Session chapter 4, article 1, section 5, is amended to
60.2 read:

60.3 Sec. 5. **AVIAN INFLUENZA RESPONSE ACTIVITIES; EMERGENCY**
60.4 **PREPAREDNESS; APPROPRIATIONS AND TRANSFERS.**

60.5 (a) ~~\$3,619,000~~ \$519,000 is appropriated from the general fund in fiscal year 2016 to
60.6 the commissioner of agriculture for avian influenza emergency response activities. The
60.7 commissioner may use money appropriated under this paragraph to purchase necessary
60.8 euthanasia and composting equipment and to reimburse costs incurred by local units of
60.9 government directly related to avian influenza emergency response activities that are not
60.10 eligible for federal reimbursement. This appropriation is available the day following final
60.11 enactment until June 30, 2017.

60.12 (b) \$1,853,000 is appropriated from the general fund in fiscal year 2016 to the
60.13 Board of Animal Health for ~~avian influenza emergency response activities. The Board~~
60.14 ~~may use money appropriated under this paragraph to purchase necessary euthanasia and~~
60.15 ~~composting equipment.~~ any animal disease emergency response or planning activity,
60.16 including but not limited to:

60.17 (1) the retention of staff trained in disease response;

60.18 (2) costs associated with the relocation and expansion of the Minnesota Poultry
60.19 Testing Laboratory;

60.20 (3) the identification of risk factors for disease transmission; and

60.21 (4) the implementation of strategies to prevent or reduce the risk of disease
60.22 introduction and transmission.

60.23 This appropriation is available the day following final enactment until June 30, ~~2017~~ 2019.

60.24 (c) \$103,000 is appropriated from the general fund in fiscal year 2016 to the
60.25 commissioner of health for avian influenza emergency response activities. This
60.26 appropriation is available the day following final enactment until June 30, 2017.

60.27 (d) \$350,000 is appropriated from the general fund in fiscal year 2016 to the
60.28 commissioner of natural resources for sampling wild animals to detect and monitor the
60.29 avian influenza virus. This appropriation may also be used to conduct serology sampling,
60.30 in consultation with the Board of Animal Health and the University of Minnesota Pomeroy
60.31 Chair in Avian Health, from birds within a control zone and outside of a control zone.
60.32 This appropriation is available the day following final enactment until June 30, 2017.

60.33 (e) \$544,000 is appropriated from the general fund in fiscal year 2016 to the
60.34 commissioner of public safety to operate the State Emergency Operation Center in
60.35 coordination with the statewide avian influenza response activities. Appropriations
60.36 under this paragraph may also be used to support a staff person at the state's agricultural

61.1 incident command post in Willmar. This appropriation is available the day following final
61.2 enactment until June 30, 2017.

61.3 (f) The commissioner of management and budget may transfer unexpended balances
61.4 from the appropriations in this section to any state agency for operating expenses related
61.5 to avian influenza emergency response activities. The commissioner of management and
61.6 budget must report each transfer to the chairs and ranking minority members of the senate
61.7 Committee on Finance and the house of representatives Committee on Ways and Means.

61.8 (g) In addition to the transfers required under Laws 2015, chapter 65, article 1,
61.9 section 17, no later than September 30, 2015, the commissioner of management and
61.10 budget must transfer \$4,400,000 from the fiscal year 2015 closing balance in the general
61.11 fund to the disaster assistance contingency account in Minnesota Statutes, section 12.221,
61.12 subdivision 6. This amount is available for ~~avian influenza emergency response~~ eligible
61.13 activities as provided in Laws 2015, chapter 65, article 1, section 18, as amended.

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

61.15 Sec. 28. **GOOD FOOD ACCESS ADVISORY COMMITTEE.**

61.16 The commissioner of agriculture and designating authorities must make their initial
61.17 appointments and designations by July 1, 2016, for the Good Food Access Advisory
61.18 Committee established under Minnesota Statutes, section 17.1018. The commissioner of
61.19 agriculture or the commissioner's designee must convene the first meeting of the Good
61.20 Food Access Advisory Committee by September 1, 2016.

61.21 Sec. 29. **FARMER-LENDER MEDIATION TASK FORCE.**

61.22 The commissioner of agriculture must convene an advisory task force to provide
61.23 recommendations to the legislature regarding the state's Farmer-Lender Mediation Act.
61.24 The task force must be comprised of 14 members, including the commissioner or the
61.25 commissioner's designee, one farm advocate appointed by the commissioner who is
61.26 responsible for mediating debt between farmers and lenders, one adult farm business
61.27 management instructor appointed by the commissioner, and three farmers appointed by
61.28 the commissioner, at least one of whom is a beginning or nontraditional farmer and at
61.29 least one of whom has personal experience with the farmer-lender mediation program.
61.30 The remaining membership of the task force consists of one member appointed by each
61.31 of the following entities:

61.32 (1) Minnesota Farm Bureau;

61.33 (2) Minnesota Farmers Union;

61.34 (3) Minnesota Bankers Association;

- 62.1 (4) Independent Community Bankers of Minnesota;
- 62.2 (5) Farm Credit Services - Minnesota State Federation;
- 62.3 (6) Minnesota Credit Union Network;
- 62.4 (7) Minnesota-South Dakota Equipment Dealers Association; and
- 62.5 (8) University of Minnesota Extension.
- 62.6 No later than February 1, 2017, the commissioner must report the task force's
- 62.7 recommendations to the legislative committees with jurisdiction over agriculture policy
- 62.8 and finance.

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

62.10 Sec. 30. **TRANSFER REQUIRED.**

62.11 Of the amount appropriated from the general fund to the commissioner of agriculture

62.12 for transfer to the rural finance authority revolving loan account in Laws 2015, First Special

62.13 Session chapter 4, article 2, section 6, the commissioner of management and budget must

62.14 transfer \$7,713,000 back to the general fund in fiscal year 2016. This is a onetime transfer.

62.15 Sec. 31. **REPEALER.**

62.16 Laws 2015, First Special Session chapter 4, article 2, section 81, is repealed.

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

62.18 **ARTICLE 3**

62.19 **ENVIRONMENT AND NATURAL RESOURCES**

62.20 Section 1. **APPROPRIATIONS.**

62.21 The sums shown in the columns marked "Appropriations" are added to the

62.22 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the

62.23 agencies and for the purposes specified in this article. The appropriations are from the

62.24 general fund, or another named fund, and are available for the fiscal year indicated for

62.25 each purpose. The figures "2016" and "2017" used in this article mean that the addition

62.26 to the appropriations listed under them are available for the fiscal year ending June 30,

62.27 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second

62.28 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day

62.29 following final enactment.

62.30	<u>APPROPRIATIONS</u>	
62.31	<u>Available for the Year</u>	
62.32	<u>Ending June 30</u>	
62.33	<u>2016</u>	<u>2017</u>

63.1	Sec. 2. <u>POLLUTION CONTROL AGENCY</u>		
63.2	<u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u> \$ <u>2,620,000</u>
63.3	<u>Appropriations by Fund</u>		
63.4		<u>2016</u>	<u>2017</u>
63.5	<u>General</u>	<u>-0-</u>	<u>1,918,000</u>
63.6	<u>Environmental</u>	<u>-0-</u>	<u>702,000</u>
63.7	<u>Subd. 2. Water</u>		<u>-0-</u> <u>1,038,000</u>
63.8	<u>\$437,000 the second year is from the general</u>		
63.9	<u>fund and \$486,000 the second year is</u>		
63.10	<u>from the environmental fund to meet the</u>		
63.11	<u>increased demand for technical assistance</u>		
63.12	<u>and review of municipal water infrastructure</u>		
63.13	<u>projects that will be generated by increased</u>		
63.14	<u>grant funding through the Public Facilities</u>		
63.15	<u>Authority. This is a onetime appropriation</u>		
63.16	<u>and is available until June 30, 2019.</u>		
63.17	<u>\$115,000 the second year is for the working</u>		
63.18	<u>lands program feasibility study and program</u>		
63.19	<u>plan. This is a onetime appropriation and is</u>		
63.20	<u>available until June 30, 2018.</u>		
63.21	<u>Subd. 3. Land</u>		<u>-0-</u> <u>432,000</u>
63.22	<u>\$216,000 the second year is from the</u>		
63.23	<u>general fund and \$216,000 the second year</u>		
63.24	<u>is from the environmental fund to manage</u>		
63.25	<u>contaminated sediment projects at multiple</u>		
63.26	<u>sites identified in the St. Louis River</u>		
63.27	<u>remedial action plan to restore water quality</u>		
63.28	<u>in the St. Louis River area of concern. This</u>		
63.29	<u>amount is added to the base for fiscal years</u>		
63.30	<u>2018, 2019, and 2020 only.</u>		
63.31	<u>Subd. 4. Environmental Assistance and</u>		
63.32	<u>Cross-Media</u>		<u>-0-</u> <u>1,150,000</u>
63.33	<u>\$500,000 the second year is for SCORE</u>		
63.34	<u>block grants to counties. This amount is in</u>		

65.1 and education policy and finance on the
 65.2 Department of Natural Resources' progress in
 65.3 developing a valuation process, a description
 65.4 of the process to identify representative
 65.5 sample valuations, and the results of the
 65.6 representative valuations of school trust
 65.7 lands identified for compensation. This is a
 65.8 onetime appropriation.

65.9 Subd. 3. **Ecological and Water Resources** -0- 612,000

65.10 \$187,000 the second year is for a grant to the
 65.11 Middle-Snake-Tamarac Rivers Watershed
 65.12 District to match equal funds from the North
 65.13 Dakota State Water Commission and North
 65.14 Dakota water boards to conduct hydraulic
 65.15 modeling of alternative floodway options
 65.16 for the reach including and upstream and
 65.17 downstream of the Minnesota and North
 65.18 Dakota agricultural levies in the vicinity
 65.19 of Oslo, Minnesota. The modeling must
 65.20 include evaluating removal of floodway
 65.21 flow obstructions, channel obstructions,
 65.22 transportation access, and equalization of
 65.23 agricultural levy protection. The project must
 65.24 be conducted in partnership with the border
 65.25 township association group representing four
 65.26 Minnesota townships and the city of Oslo
 65.27 and the three adjacent townships in North
 65.28 Dakota. This is a onetime appropriation and
 65.29 is available until June 30, 2018.

65.30 \$200,000 the second year is for a grant to
 65.31 the Koronis Lake Association for purposes
 65.32 of removing and preventing aquatic invasive
 65.33 species. This is a onetime appropriation.

65.34 \$225,000 the second year is from the water
 65.35 management account in the natural resources

66.1 fund for water appropriation monitoring,
 66.2 modeling, and reporting for the Cold Spring
 66.3 Creek area as required under this act. This
 66.4 is a onetime appropriation and is available
 66.5 until June 30, 2022.

66.6 **Subd. 4. Forest Management** -0- 3,500,000

66.7 \$2,500,000 the second year is for private
 66.8 forest management assistance. The agency
 66.9 base is increased by \$2,000,000 in fiscal year
 66.10 2018 and thereafter.

66.11 \$1,000,000 the second year is from the
 66.12 forest management investment account in the
 66.13 natural resources fund for reforestation on
 66.14 state lands. This is a onetime appropriation.

66.15 **Subd. 5. Parks and Trails Management** -0- 6,459,000

	<u>Appropriations by Fund</u>		
	<u>2016</u>	<u>2017</u>	
66.16	<u>General</u>	<u>-0-</u>	<u>2,929,000</u>
66.17	<u>Natural Resources</u>	<u>-0-</u>	<u>3,530,000</u>

66.18 \$2,800,000 the second year is a onetime
 66.19 appropriation.

66.20 \$2,300,000 the second year is from the state
 66.21 parks account in the natural resources fund.

66.22 Of this amount, \$1,300,000 is onetime,
 66.23 of which \$1,150,000 is for strategic park
 66.24 acquisition.

66.25 \$20,000 the second year is from the natural
 66.26 resources fund to design and erect signs
 66.27 marking the David Dill trail designated in
 66.28 this act. Of this amount, \$10,000 is from the
 66.29 snowmobile trails and enforcement account
 66.30 and \$10,000 is from the all-terrain vehicle
 66.31 account. This is a onetime appropriation.

- 67.1 \$100,000 the second year is for the
67.2 improvement of the infrastructure for
67.3 sanitary sewer service at the Woodenfrog
67.4 Campground in Kabetogama State Forest.
67.5 This is a onetime appropriation.
- 67.6 \$29,000 the second year is for computer
67.7 programming related to the transfer-on-death
67.8 title changes for watercraft. This is a onetime
67.9 appropriation.
- 67.10 \$210,000 the first year is from the water
67.11 recreation account in the natural resources
67.12 fund for implementation of Minnesota
67.13 Statutes, section 86B.532, established in this
67.14 act. This is a onetime appropriation. The
67.15 commissioner of natural resources shall seek
67.16 federal and other nonstate funds to reimburse
67.17 the department for the initial costs of
67.18 producing and distributing carbon monoxide
67.19 boat warning labels. All amounts collected
67.20 under this paragraph shall be deposited into
67.21 the water recreation account.
- 67.22 \$1,000,000 the second year is from the
67.23 natural resources fund for a grant to Lake
67.24 County for construction, including bridges,
67.25 of the Prospectors ATV Trail System
67.26 linking the communities of Ely, Babbitt,
67.27 Embarrass, and Tower; Bear Head Lake
67.28 and Lake Vermilion-Soudan Underground
67.29 Mine State Parks; the Taconite State Trail;
67.30 and the Lake County Regional ATV Trail
67.31 System. Of this amount, \$900,000 is from
67.32 the all-terrain vehicle account, \$50,000 is
67.33 from the off-highway motorcycle account,
67.34 and \$50,000 is from the off-road vehicle
67.35 account. This is a onetime appropriation.

68.1	<u>Subd. 6. Fish and Wildlife Management</u>	<u>-0-</u>	<u>50,000</u>
68.2	<u>\$50,000 the second year is from the game</u>		
68.3	<u>and fish fund for fish virus surveillance,</u>		
68.4	<u>including fish testing in high-risk waters used</u>		
68.5	<u>for bait production, to ensure the availability</u>		
68.6	<u>of safe bait. This is a onetime appropriation.</u>		
68.7	<u>Subd. 7. Enforcement</u>	<u>670,000</u>	<u>-0-</u>
68.8	<u>\$670,000 the first year is from the game and</u>		
68.9	<u>fish fund for aviation services. This is a</u>		
68.10	<u>onetime appropriation.</u>		
68.11	<u>Subd. 8. Operations Support</u>	<u>1,599,000</u>	<u>3,611,000</u>
68.12	<u>Appropriations by Fund</u>		
68.13		<u>2016</u>	<u>2017</u>
68.14	<u>General</u>	<u>1,599,000</u>	<u>3,551,000</u>
68.15	<u>Game and Fish</u>	<u>-0-</u>	<u>60,000</u>
68.16	<u>\$1,599,000 the first year and \$2,801,000</u>		
68.17	<u>the second year are for legal costs related</u>		
68.18	<u>to the NorthMet mining project. Of this</u>		
68.19	<u>amount, up to \$1,289,000 the second year</u>		
68.20	<u>may be transferred to other agencies for legal</u>		
68.21	<u>costs associated with the NorthMet mining</u>		
68.22	<u>project. This is a onetime appropriation and</u>		
68.23	<u>is available until June 30, 2019.</u>		
68.24	<u>\$750,000 the second year is for a grant to</u>		
68.25	<u>Wolf Ridge Environmental Learning Center</u>		
68.26	<u>to construct a new dormitory, renovate an old</u>		
68.27	<u>dormitory, construct a maintenance building,</u>		
68.28	<u>and construct a small classroom building</u>		
68.29	<u>with parking. The grant is not available</u>		
68.30	<u>until the commissioner of management</u>		
68.31	<u>and budget determines that an amount</u>		
68.32	<u>sufficient to complete the project is available</u>		
68.33	<u>from nonstate sources. This is a onetime</u>		

69.1 appropriation and is available until June 30,
 69.2 2019.

69.3 \$60,000 the second year is from the
 69.4 heritage enhancement account for the
 69.5 department's Southeast Asian unit to
 69.6 conduct outreach efforts to the Southeast
 69.7 Asian community in Minnesota, including
 69.8 outreach efforts to refugees from Burma, to
 69.9 encourage participation in outdoor education
 69.10 opportunities and activities. This is a onetime
 69.11 appropriation.

69.12	Sec. 4. <u>BOARD OF WATER AND SOIL</u>			
69.13	<u>RESOURCES</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 479,000</u>

69.14 \$479,000 the second year is for the
 69.15 development of a detailed plan to implement
 69.16 a working lands watershed restoration
 69.17 program to incentivise the establishment and
 69.18 maintenance of perennial crops that includes
 69.19 the following:

69.20 (1) a process for selecting pilot watersheds
 69.21 that are expected to result in the greatest
 69.22 water quality improvements and exhibit
 69.23 readiness to participate in the program;

69.24 (2) an assessment of the quantity of
 69.25 agricultural land that is expected to be
 69.26 eligible for the program in each watershed;

69.27 (3) an assessment of landowner interest in
 69.28 participating in the program;

69.29 (4) an assessment of the contract terms and
 69.30 any recommendations for changes to the
 69.31 terms, including consideration of variable
 69.32 payment rates for lands of different priority
 69.33 or type;

70.1 (5) an assessment of the opportunity to
70.2 leverage federal funds through the program
70.3 and recommendations on how to maximize
70.4 the use of federal funds for assistance to
70.5 establish perennial crops;

70.6 (6) an assessment of how other state
70.7 programs could complement the program;

70.8 (7) an estimate of water quality improvements
70.9 expected to result from implementation in
70.10 pilot watersheds;

70.11 (8) an assessment of how to best integrate
70.12 program implementation with existing
70.13 conservation requirements and develop
70.14 recommendations on harvest practices and
70.15 timing to benefit wildlife production;

70.16 (9) an assessment of the potential viability
70.17 and water quality benefit of cover crops used
70.18 in biomass processing facilities;

70.19 (10) a timeline for implementation,
70.20 coordinated to the extent possible with
70.21 proposed biomass processing facilities; and

70.22 (11) a projection of funding sources needed
70.23 to complete implementation.

70.24 This is a onetime appropriation and is
70.25 available until June 30, 2018.

70.26 The board shall coordinate development of
70.27 the working lands watershed restoration plan
70.28 with stakeholders and the commissioners
70.29 of natural resources, agriculture, and the
70.30 Pollution Control Agency. The board must
70.31 submit an interim report by October 15,
70.32 2017, and the feasibility study and program
70.33 plan by February 1, 2018, to the chairs and
70.34 ranking minority members of the legislative

72.1 disease, to open or close bodies of water or portions of bodies of water for night bow
72.2 fishing, and to prohibit or allow importation, transportation, or possession of a wild animal;

72.3 (2) sections 84.093, 84.15, and 84.152 to set seasons for harvesting wild ginseng
72.4 roots and wild rice and to restrict or prohibit harvesting in designated areas; and

72.5 (3) section 84D.12 to ~~list~~ designate prohibited invasive species, regulated invasive
72.6 species, and unregulated nonnative species; and to list infested waters.

72.7 (b) If conditions exist that do not allow the commissioner to comply with sections
72.8 97A.0451 to 97A.0459, including the need to adjust season variables on an annual basis
72.9 based upon current biological and harvest data, the commissioner may adopt a rule
72.10 under this subdivision by submitting the rule to the attorney general for review under
72.11 section 97A.0455, publishing a notice in the State Register and filing the rule with the
72.12 secretary of state and the Legislative Coordinating Commission, and complying with
72.13 section 97A.0459, and including a statement of the conditions and a copy of the rule in the
72.14 notice. The conditions for opening a water body or portion of a water body for night bow
72.15 fishing under this section may include the need to temporarily open the area to evaluate
72.16 compatibility of the activity on that body of water prior to permanent rulemaking. The
72.17 notice may be published after it is received from the attorney general or five business days
72.18 after it is submitted to the attorney general, whichever is earlier.

72.19 (c) Rules adopted under paragraph (b) are effective upon publishing in the State
72.20 Register and may be effective up to seven days before publishing and filing under
72.21 paragraph (b), if:

72.22 (1) the commissioner of natural resources determines that an emergency exists;

72.23 (2) the attorney general approves the rule; and

72.24 (3) for a rule that affects more than three counties the commissioner publishes the
72.25 rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a
72.26 rule that affects three or fewer counties the commissioner publishes the rule once in a legal
72.27 newspaper in each of the affected counties.

72.28 (d) Except as provided in paragraph (e), a rule published under paragraph (c), clause
72.29 (3), may not be effective earlier than seven days after publication.

72.30 (e) A rule published under paragraph (c), clause (3), may be effective the day the
72.31 rule is published if the commissioner gives notice and holds a public hearing on the rule
72.32 within 15 days before publication.

72.33 (f) The commissioner shall attempt to notify persons or groups of persons affected
72.34 by rules adopted under paragraphs (b) and (c) by public announcements, posting, and
72.35 other appropriate means as determined by the commissioner.

73.1 (g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is
73.2 effective for the period stated in the notice but not longer than 18 months after the rule is
73.3 effective.

73.4 Sec. 9. Minnesota Statutes 2015 Supplement, section 84.027, subdivision 13a, is
73.5 amended to read:

73.6 Subd. 13a. **Game and fish expedited permanent rules.** (a) In addition to the
73.7 authority granted in subdivision 13, the commissioner of natural resources may adopt rules
73.8 under section 14.389 that are authorized under:

73.9 (1) chapters 97A, 97B, and 97C to describe zone or permit area boundaries, to
73.10 designate fish spawning beds or fish preserves, to select hunters or anglers for areas,
73.11 to provide for registration of game or fish, to prevent or control wildlife disease, or to
73.12 correct errors or omissions in rules that do not have a substantive effect on the intent or
73.13 application of the original rule; or

73.14 (2) section 84D.12 to ~~list~~ designate prohibited invasive species, regulated invasive
73.15 species, and unregulated nonnative species.

73.16 (b) The commissioner of natural resources may adopt rules under section 14.389
73.17 that are authorized under chapters 97A, 97B, and 97C, for purposes in addition to those
73.18 listed in paragraph (a), clause (1), subject to the notice and public hearing provisions
73.19 of section 14.389, subdivision 5.

73.20 Sec. 10. Minnesota Statutes 2014, section 84.091, subdivision 2, is amended to read:

73.21 Subd. 2. **License required; ~~exception~~ exemptions.** (a) Except as provided in
73.22 ~~paragraph (b) this subdivision~~, a person may not harvest, buy, sell, transport, or possess
73.23 aquatic plants without a license required under this chapter. A license shall be issued in
73.24 the same manner as provided under the game and fish laws.

73.25 (b) A resident under the age of 18 years may harvest wild rice without a license, if
73.26 accompanied by a person with a wild rice license.

73.27 (c) Tribal band members who possess a valid tribal identification card from a
73.28 federally recognized tribe located in Minnesota are deemed to have a license to harvest
73.29 wild rice under this section.

73.30 Sec. 11. Minnesota Statutes 2014, section 84.798, subdivision 2, is amended to read:

73.31 Subd. 2. **Exemptions.** Registration is not required for an off-road vehicle that is:

73.32 (1) owned and used by the United States, an Indian tribal government, the state,
73.33 another state, or a political subdivision; or

- 74.1 (2) registered in another state or country and has not been in this state for more than
74.2 30 consecutive days; or
74.3 (3) operated with a valid state trail pass according to section 84.8035.

74.4 **EFFECTIVE DATE.** This section is effective January 1, 2017.

74.5 Sec. 12. Minnesota Statutes 2014, section 84.8035, is amended to read:

74.6 **84.8035 NONRESIDENT OFF-ROAD VEHICLE STATE TRAIL PASS.**

74.7 Subdivision 1. **Pass required; fee.** (a) Except as provided under paragraph (c), a
74.8 nonresident person may not operate an off-road vehicle on a state or grant-in-aid off-road
74.9 vehicle trail or use area unless the vehicle displays a nonresident an off-road vehicle state
74.10 trail pass sticker issued according to this section. The pass must be viewable by a peace
74.11 officer, a conservation officer, or an employee designated under section 84.0835.

74.12 (b) ~~The fee for an annual pass is \$20. The pass is valid from January 1 through~~
74.13 ~~December 31. The fee for a three-year pass is \$30.~~ The commissioner of natural resources
74.14 shall issue a pass upon application and payment of the fee. Fees collected under this
74.15 section, except for the issuing fee for licensing agents, shall be deposited in the state
74.16 treasury and credited to the off-road vehicle account in the natural resources fund and,
74.17 except for the electronic licensing system commission established by the commissioner
74.18 under section 84.027, subdivision 15, must be used for grants-in-aid to counties and
74.19 municipalities for off-road vehicle organizations to construct and maintain off-road
74.20 vehicle trails and use areas.

74.21 (c) ~~A nonresident~~ An off-road vehicle state trail pass is not required for:

74.22 (1) an off-road vehicle that is owned and used by the United States, another state,
74.23 or a political subdivision thereof that is exempt from registration under section 84.798,
74.24 subdivision 2;

74.25 (2) a person operating an off-road vehicle only on the portion of a trail that is owned
74.26 by the person or the person's spouse, child, or parent; or

74.27 (3) a nonresident person operating an off-road vehicle that is registered according
74.28 to section 84.798.

74.29 (d) The fee for an annual nonresident off-road vehicle state trail pass is \$20. The
74.30 nonresident pass is valid from January 1 through December 31. The fee for a nonresident
74.31 three-year pass is \$30.

74.32 (e) The fee for a resident off-road vehicle state trail pass is \$20. The resident pass is
74.33 valid for 30 consecutive days after the date of issuance.

75.1 Subd. 2. **License agents.** The commissioner may appoint agents to issue and
75.2 sell ~~nonresident~~ off-road vehicle state trail passes. The commissioner may revoke the
75.3 appointment of an agent at any time. The commissioner may adopt additional rules as
75.4 provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted
75.5 by the commissioner for accounting and handling of passes pursuant to section 97A.485,
75.6 subdivision 11. An agent shall promptly deposit and remit all money received from the
75.7 sale of the passes, exclusive of the issuing fee, to the commissioner.

75.8 Subd. 3. **Issuance of passes.** The commissioner and agents shall issue and sell
75.9 ~~nonresident~~ off-road vehicle state trail passes. The commissioner shall also make the
75.10 passes available through the electronic licensing system established under section 84.027,
75.11 subdivision 15.

75.12 Subd. 4. **Agent's fee.** In addition to the fee for a pass, an issuing fee of \$1 per pass
75.13 shall be charged. The issuing fee may be retained by the seller of the pass. Issuing fees for
75.14 passes issued by the commissioner shall be deposited in the off-road vehicle account in the
75.15 natural resources fund and retained for the operation of the electronic licensing system.

75.16 Subd. 5. **Duplicate passes.** The commissioner and agents shall issue a duplicate
75.17 pass to persons whose pass is lost or destroyed using the process established under section
75.18 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate ~~nonresident~~
75.19 off-road vehicle state trail pass is \$4, with an issuing fee of 50 cents.

75.20 **EFFECTIVE DATE.** This section is effective January 1, 2017.

75.21 Sec. 13. Minnesota Statutes 2014, section 84D.01, subdivision 2, is amended to read:

75.22 Subd. 2. **Aquatic macrophyte.** "Aquatic macrophyte" means macro algae or a
75.23 macroscopic nonwoody plant, either a submerged, floating leafed, floating, or emergent
75.24 plant that naturally grows in water.

75.25 Sec. 14. Minnesota Statutes 2014, section 84D.05, subdivision 1, is amended to read:

75.26 Subdivision 1. **Prohibited activities.** A person may not possess, import, purchase,
75.27 sell, propagate, transport, or introduce a prohibited invasive species, except:

75.28 (1) under a permit issued by the commissioner under section 84D.11;

75.29 (2) in the case of purple loosestrife, as provided by sections 18.75 to 18.88;

75.30 (3) under a restricted species permit issued under section 17.457;

75.31 (4) when being transported to the department, or another destination as the
75.32 commissioner may direct, in a sealed container for purposes of identifying the species
75.33 or reporting the presence of the species;

76.1 (5) when being transported for disposal as part of a harvest or control activity
76.2 when specifically authorized under a permit issued by the commissioner according to
76.3 section 103G.615, when being transported for disposal as specified under a commercial
76.4 fishing license issued by the commissioner according to section 97A.418, 97C.801,
76.5 97C.811, 97C.825, 97C.831, or 97C.835, or when being transported as specified by the
76.6 commissioner;

76.7 ~~(6) when the specimen has been lawfully acquired dead and, in the case of plant~~
76.8 ~~species, all seeds are removed or are otherwise secured in a sealed container;~~

76.9 ~~(7) in the form of herbaria or other preserved specimens;~~

76.10 ~~(8)~~ (6) when being removed from watercraft and equipment, or caught while angling,
76.11 and immediately returned to the water from which they came; or

76.12 ~~(9)~~ (7) as the commissioner may otherwise prescribe by rule.

76.13 Sec. 15. [84D.075] NONNATIVE SPECIES, AQUATIC PLANTS, AND
76.14 AQUATIC MACROPHYTES; PARTS AND LIFE STAGE.

76.15 A law relating to a nonnative species, aquatic plant, or aquatic macrophyte applies in
76.16 the same manner to a part of a nonnative species, aquatic plant, or aquatic macrophyte,
76.17 whether alive or dead, and to any life stage or form.

76.18 Sec. 16. Minnesota Statutes 2014, section 84D.09, subdivision 2, is amended to read:

76.19 Subd. 2. **Exceptions.** Unless otherwise prohibited by law, a person may transport
76.20 aquatic macrophytes:

76.21 (1) that are duckweeds in the family Lemnaceae;

76.22 (2) for purposes of constructing shooting or observation blinds in amounts sufficient
76.23 for that purpose, provided that the aquatic macrophytes are emergent and cut above the
76.24 waterline;

76.25 (3) when legally purchased or traded by or from commercial or hobbyist sources for
76.26 aquarium, wetland or lakeshore restoration, or ornamental purposes;

76.27 (4) when harvested for personal or commercial use if in a motor vehicle;

76.28 (5) to the department, or another destination as the commissioner may direct, in a
76.29 sealed container for purposes of identifying a species or reporting the presence of a species;

76.30 (6) that are wild rice harvested under section 84.091;

76.31 (7) in the form of fragments of emergent aquatic macrophytes incidentally transported
76.32 in or on watercraft or decoys used for waterfowl hunting during the waterfowl season; or

76.33 (8) when removing water-related equipment from waters of the state for purposes of
76.34 cleaning off aquatic macrophytes before leaving a water access site; or

77.1 (9) when being transported from riparian property to a legal disposal site that is at
77.2 least 100 feet from any surface water, ditch, or seasonally flooded land, provided the
77.3 aquatic macrophytes are in a covered commercial vehicle specifically designed and used
77.4 for hauling trash.

77.5 Sec. 17. Minnesota Statutes 2014, section 84D.10, subdivision 4, is amended to read:

77.6 Subd. 4. **Persons transporting water-related equipment.** (a) When leaving
77.7 ~~waters~~ a water of the state, a person must drain water-related equipment holding water
77.8 and live wells and bilges by removing the drain plug before transporting the water-related
77.9 equipment ~~off the water access site or riparian property.~~ For the purposes of this
77.10 paragraph, "transporting" includes moving water-related equipment over land between
77.11 connected or unconnected water bodies, but does not include moving water-related
77.12 equipment within the immediate area required for loading and preparing the water-related
77.13 equipment for transport over land.

77.14 (b) Drain plugs, bailers, valves, or other devices used to control the draining of water
77.15 from ballast tanks, bilges, and live wells must be removed or opened while transporting
77.16 water-related equipment.

77.17 (c) Emergency response vehicles and equipment may be transported on a public road
77.18 with the drain plug or other similar device replaced only after all water has been drained
77.19 from the equipment upon leaving the water body.

77.20 (d) Portable bait containers used by licensed aquatic farms, portable bait containers
77.21 when fishing through the ice except on waters listed infested for viral hemorrhagic
77.22 septicemia, and marine sanitary systems are exempt from this subdivision.

77.23 (e) A person must not dispose of bait in waters of the state.

77.24 (f) A boat lift, dock, swim raft, or associated equipment that has been removed
77.25 from any water body may not be placed in another water body until a minimum of 21
77.26 days have passed.

77.27 (g) A person who transports water that is appropriated from noninfested surface
77.28 water bodies and that is transported by a commercial vehicle, excluding watercraft, or
77.29 commercial trailer, which vehicle or trailer is specifically designed and used for water
77.30 hauling, is exempt from paragraphs (a) and (b), provided that the person does not discharge
77.31 the transported water to other surface waters or within 100 feet of a surface water body.

77.32 (h) A person transporting water from noninfested surface water bodies for
77.33 firefighting or emergencies that threaten human safety or property is exempt from
77.34 paragraphs (a) and (b).

78.1 Sec. 18. Minnesota Statutes 2014, section 84D.108, is amended by adding a
78.2 subdivision to read:

78.3 Subd. 2a. **Lake Minnetonka pilot study.** (a) The commissioner may issue an
78.4 additional permit to service providers to return to Lake Minnetonka water-related
78.5 equipment with zebra mussels attached after the equipment has been seasonally
78.6 stored, serviced, or repaired. The permit must include verification and documentation
78.7 requirements and any other conditions the commissioner deems necessary.

78.8 (b) Water-related equipment with zebra mussels attached may be returned only
78.9 to Lake Minnetonka (DNR Division of Waters number 27-0133) by service providers
78.10 permitted under subdivision 1.

78.11 (c) The service provider's place of business must be within the Lake Minnetonka
78.12 Conservation District as established according to sections 103B.601 to 103B.645.

78.13 (d) A service provider applying for a permit under this subdivision must, if approved
78.14 for a permit and before the permit is valid, furnish a corporate surety bond in favor of the
78.15 state for \$50,000 payable upon violation of this chapter.

78.16 (e) This subdivision expires December 1, 2018.

78.17 Sec. 19. Minnesota Statutes 2015 Supplement, section 84D.11, subdivision 1, is
78.18 amended to read:

78.19 Subdivision 1. **Prohibited invasive species.** (a) The commissioner may issue a
78.20 permit for the propagation, possession, importation, purchase, or transport of a prohibited
78.21 invasive species for the purposes of disposal, decontamination, control, research, or
78.22 education.

78.23 (b) The commissioner may issue a permit as provided under section 84D.108,
78.24 subdivision 2a, to a service provider to allow water-related equipment to be placed back
78.25 into the same body of water after being seasonally stored, serviced, or repaired by the
78.26 service provider. This paragraph expires December 1, 2018.

78.27 Sec. 20. Minnesota Statutes 2014, section 84D.13, subdivision 4, is amended to read:

78.28 Subd. 4. **Warnings; civil citations.** After appropriate training, conservation
78.29 officers, other licensed peace officers, and other department personnel designated by the
78.30 commissioner may issue warnings or citations to a person who:

78.31 (1) unlawfully transports prohibited invasive species or aquatic macrophytes;

78.32 (2) unlawfully places or attempts to place into waters of the state water-related
78.33 equipment that has aquatic macrophytes or prohibited invasive species attached;

79.1 (3) intentionally damages, moves, removes, or sinks a buoy marking, as prescribed
79.2 by rule, Eurasian watermilfoil;

79.3 (4) fails to remove plugs, open valves, and drain water from water-related equipment
79.4 before leaving waters of the state or when transporting water-related equipment as
79.5 provided in section 84D.10, subdivision 4; ~~or~~

79.6 (5) transports infested water, in violation of rule, off riparian property;

79.7 (6) fails to comply with a decontamination order when a decontamination unit
79.8 is available on site;

79.9 (7) fails to complete decontamination of water-related equipment or to remove
79.10 invasive species from water-related equipment by the date specified on a tagging notice
79.11 and order; or

79.12 (8) fails to complete the aquatic invasive species offender training course required
79.13 under section 86B.13.

79.14 Sec. 21. Minnesota Statutes 2015 Supplement, section 84D.13, subdivision 5, is
79.15 amended to read:

79.16 Subd. 5. **Civil penalties.** (a) A civil citation issued under this section must impose
79.17 the following penalty amounts:

79.18 (1) for transporting aquatic macrophytes in violation of section 84D.09, \$100;

79.19 (2) for placing or attempting to place into waters of the state water-related equipment
79.20 that has aquatic macrophytes attached, \$200;

79.21 (3) for unlawfully possessing or transporting a prohibited invasive species other
79.22 than an aquatic macrophyte, \$500;

79.23 (4) for placing or attempting to place into waters of the state water-related equipment
79.24 that has prohibited invasive species attached when the waters are not listed by the
79.25 commissioner as being infested with that invasive species, \$500;

79.26 (5) for intentionally damaging, moving, removing, or sinking a buoy marking, as
79.27 prescribed by rule, Eurasian watermilfoil, \$100;

79.28 (6) for failing to have drain plugs or similar devices removed or opened while
79.29 transporting water-related equipment or for failing to remove plugs, open valves, and
79.30 drain water from water-related equipment, other than marine sanitary systems, before
79.31 leaving waters of the state, \$100;

79.32 (7) for transporting infested water off riparian property without a permit as required
79.33 by rule, \$200; ~~and~~

79.34 (8) for failing to have aquatic invasive species affirmation displayed or available for
79.35 inspection as provided in sections 86B.401 and 97C.301, subdivision 2a, \$25;

80.1 (9) for failing to comply with a decontamination order when a decontamination unit
80.2 is available on site, \$250;

80.3 (10) for failing to complete decontamination of water-related equipment or to
80.4 remove invasive species from water-related equipment by the date specified on a tagging
80.5 notice and order, \$250; and

80.6 (11) for failing to complete the aquatic invasive species offender training course
80.7 required under section 86B.13, \$25.

80.8 (b) A civil citation that is issued to a person who has one or more prior convictions
80.9 or final orders for violations of this chapter is subject to twice the penalty amounts listed
80.10 in paragraph (a).

80.11 Sec. 22. Minnesota Statutes 2014, section 85.015, subdivision 13, is amended to read:

80.12 Subd. 13. **Arrowhead Region Trails, Cook, Lake, St. Louis, Pine, Carlton,**
80.13 **Koochiching, and Itasca Counties.** (a)(1) The Taconite Trail shall originate at Ely in St.
80.14 Louis County and extend southwesterly to Tower in St. Louis County, thence westerly to
80.15 McCarthy Beach State Park in St. Louis County, thence southwesterly to Grand Rapids in
80.16 Itasca County and there terminate;

80.17 (2) the C. J. Ramstad/Northshore Trail shall originate in Duluth in St. Louis County
80.18 and extend northeasterly to Two Harbors in Lake County, thence northeasterly to Grand
80.19 Marais in Cook County, thence northeasterly to the international boundary in the vicinity
80.20 of the north shore of Lake Superior, and there terminate;

80.21 ~~(3) The Grand Marais to International Falls Trail shall originate in Grand Marais~~
80.22 ~~in Cook County and extend northwesterly, outside of the Boundary Waters Canoe Area,~~
80.23 ~~to Ely in St. Louis County, thence southwesterly along the route of the Taconite Trail to~~
80.24 ~~Tower in St. Louis County, thence northwesterly through the Pelican Lake area in St.~~
80.25 ~~Louis County to International Falls in Koochiching County, and there terminate~~ the David
80.26 Dill/Arrowhead Trail shall originate at International Falls in Koochiching County and
80.27 extend southeasterly through the Pelican Lake area in St. Louis County, intersecting with
80.28 the Taconite Trail west of Tower; then the David Dill/Taconite Trail continues easterly
80.29 to Ely in St. Louis County; then the David Dill/Tomahawk Trail extends southeasterly,
80.30 outside the Boundary Waters Canoe Area, to the area of Little Marais in Lake County and
80.31 there terminates at the intersection with the C. J. Ramstad/Northshore Trail; and

80.32 (4) the Matthew Lourey Trail shall originate in Duluth in St. Louis County and
80.33 extend southerly to Chengwatana State Forest in Pine County.

80.34 (b) The trails shall be developed primarily for riding and hiking.

81.1 (c) In addition to the authority granted in subdivision 1, lands and interests in lands
81.2 for the Arrowhead Region trails may be acquired by eminent domain. Before acquiring
81.3 any land or interest in land by eminent domain the commissioner of administration shall
81.4 obtain the approval of the governor. The governor shall consult with the Legislative
81.5 Advisory Commission before granting approval. Recommendations of the Legislative
81.6 Advisory Commission shall be advisory only. Failure or refusal of the commission to
81.7 make a recommendation shall be deemed a negative recommendation.

81.8 Sec. 23. Minnesota Statutes 2014, section 86B.005, is amended by adding a
81.9 subdivision to read:

81.10 Subd. 4a. **Enclosed accommodation compartment.** "Enclosed accommodation
81.11 compartment" means one contiguous space, surrounded by boat structure that contains
81.12 all of the following:

81.13 (1) designated sleeping accommodations;

81.14 (2) a galley area with sink; and

81.15 (3) a head compartment.

81.16 Sec. 24. Minnesota Statutes 2014, section 86B.005, is amended by adding a
81.17 subdivision to read:

81.18 Subd. 4b. **Enclosed occupancy compartment.** "Enclosed occupancy compartment"
81.19 means one contiguous enclosed space surrounded by boat structure that may be occupied
81.20 by a person.

81.21 Sec. 25. Minnesota Statutes 2014, section 86B.005, is amended by adding a
81.22 subdivision to read:

81.23 Subd. 8a. **Marine carbon monoxide detection system.** "Marine carbon monoxide
81.24 detection system" means a device or system that meets the requirements of the American
81.25 Boat and Yacht Council Standard A-24, July, 2015, for carbon monoxide detection systems.

81.26 Sec. 26. **[86B.532] CARBON MONOXIDE DETECTION DEVICE**
81.27 **REQUIREMENTS.**

81.28 Subdivision 1. **Requirements.** (a) No motorboat that has an enclosed
81.29 accommodation compartment may be operated on any waters of the state unless the
81.30 motorboat is equipped with a functioning marine carbon monoxide detection system
81.31 installed according to the manufacturer's instructions.

82.1 (b) After the effective date of this section, no new motorboat that has an enclosed
82.2 accommodation compartment may be sold or offered for sale in Minnesota unless the
82.3 motorboat is equipped with a new functioning marine carbon monoxide detection system
82.4 installed according to the manufacturer's instructions.

82.5 Subd. 2. **Boating safety courses.** All state-sponsored boating safety courses and all
82.6 boating safety courses that require state approval by the commissioner must incorporate
82.7 information about the dangers of being overcome by carbon monoxide poisoning while on
82.8 or behind a motorboat and how to prevent that poisoning.

82.9 Subd. 3. **Carbon monoxide poisoning warning labels.** (a) No gasoline-powered
82.10 motorboat that has an enclosed occupancy compartment may be operated on any waters
82.11 of the state unless labels warning of carbon monoxide dangers are affixed in the vicinity
82.12 of: the aft reboarding/stern area, the steering station, and in or at the entrance to any
82.13 enclosed occupancy compartment.

82.14 (b) For a motorboat sold by a dealer, the dealer must ensure that specified warning
82.15 labels have been affixed before completion of the transaction.

82.16 (c) Warning labels approved by the American Boat and Yacht Council, National
82.17 Marine Manufacturers Association, or the commissioner satisfy the requirements of this
82.18 section when installed as specified.

82.19 Subd. 4. **License agents; distribution.** The commissioner shall mail the
82.20 information and labels to all owners of motorboats that are 19 feet and greater in length
82.21 the first year. The commissioner must also provide license agents with informational
82.22 brochures and warning labels about the dangers of carbon monoxide poisoning while
82.23 boating. A license agent must make the brochure and labels available to motorboat owners
82.24 and make efforts to inform new owners of the requirement. The commissioner shall
82.25 highlight the new requirements on the watercraft renewal reminder postcard for three
82.26 consecutive three-year license cycles and in the Minnesota Boating Guide. The brochure
82.27 must instruct motorboat owners to place the labels according to subdivision 3, and inform
82.28 motorboat owners of carbon monoxide dangers of gasoline-powered generators.

82.29 Subd. 5. **Safety warning.** A first violation of this section shall not result in a
82.30 penalty, but is punishable only by a safety warning. A second or subsequent violation
82.31 is a petty misdemeanor.

82.32 **EFFECTIVE DATE.** This section is effective May 1, 2017.

82.33 Sec. 27. **[86B.841] TRANSFER-ON-DEATH TITLE TO WATERCRAFT.**

82.34 Subdivision 1. **Titled as transfer-on-death.** A natural person who is the owner of a
82.35 watercraft may have the watercraft titled in transfer-on-death or TOD form by including in

83.1 the application for the certificate of title a designation of a beneficiary or beneficiaries to
83.2 whom the watercraft must be transferred on death of the owner or the last survivor of joint
83.3 owners with rights of survivorship, subject to the rights of secured parties.

83.4 Subd. 2. **Designation of beneficiary.** A watercraft is registered in transfer-on-death
83.5 form by designating on the certificate of title the name of the owner and the names
83.6 of joint owners with identification of rights of survivorship, followed by the words
83.7 "transfer-on-death to (name of beneficiary or beneficiaries)." The designation "TOD" may
83.8 be used instead of "transfer-on-death." A title in transfer-on-death form is not required
83.9 to be supported by consideration, and the certificate of title in which the designation
83.10 is made is not required to be delivered to the beneficiary or beneficiaries in order for
83.11 the designation to be effective.

83.12 Subd. 3. **Interest of beneficiary.** The transfer-on-death beneficiary or beneficiaries
83.13 have no interest in the watercraft until the death of the owner or the last survivor of joint
83.14 owners with rights of survivorship. A beneficiary designation may be changed at any time
83.15 by the owner or by all joint owners with rights of survivorship, without the consent of the
83.16 beneficiary or beneficiaries, by filing an application for a new certificate of title.

83.17 Subd. 4. **Vesting of ownership in beneficiary.** Ownership of a watercraft titled in
83.18 transfer-on-death form vests in the designated beneficiary or beneficiaries on the death of
83.19 the owner or the last of the joint owners with rights of survivorship, subject to the rights of
83.20 secured parties. The transfer-on-death beneficiary or beneficiaries who survive the owner
83.21 may apply for a new certificate of title to the watercraft upon submitting a certified death
83.22 record of the owner of the watercraft. If no transfer-on-death beneficiary or beneficiaries
83.23 survive the owner of a watercraft, the watercraft must be included in the probate estate
83.24 of the deceased owner. A transfer of a watercraft to a transfer-on-death beneficiary or
83.25 beneficiaries is not a testamentary transfer.

83.26 Subd. 5. **Rights of creditors.** (a) This section does not limit the rights of any
83.27 secured party or creditor of the owner of a watercraft against a transfer-on-death
83.28 beneficiary or beneficiaries.

83.29 (b) The state or a county agency with a claim or lien authorized by section 246.53,
83.30 256B.15, 261.04, or 270C.63, is a creditor for purposes of this subdivision. A claim
83.31 or lien under those sections continues to apply against the designated beneficiary or
83.32 beneficiaries after the transfer under this section if other assets of the deceased owner's
83.33 estate are insufficient to pay the amount of the claim. The claim or lien continues to apply
83.34 to the watercraft until the designated beneficiary sells or transfers it to a person against
83.35 whom the claim or lien does not apply and who did not have actual notice or knowledge
83.36 of the claim or lien.

84.1 Sec. 28. Minnesota Statutes 2014, section 88.01, is amended by adding a subdivision
84.2 to read:

84.3 Subd. 28. **Prescribed burn.** "Prescribed burn" means a fire that is intentionally
84.4 ignited, managed, and controlled by an entity meeting certification requirements established
84.5 by the commissioner for the purpose of managing vegetation. A prescribed burn that has
84.6 exceeded its prescribed boundaries and requires suppression action is considered a wildfire.

84.7 Sec. 29. Minnesota Statutes 2014, section 88.22, subdivision 1, is amended to read:

84.8 Subdivision 1. **Imposition of restrictions.** (a) **Road closure.** When the
84.9 commissioner of natural resources shall determine that conditions conducive to wildfire
84.10 hazards exist in the wildfire areas of the state and that the presence of persons in the
84.11 wildlife areas tends to aggravate wildfire hazards, render forest trails impassable by
84.12 driving thereon during wet seasons and hampers the effective enforcement of state timber
84.13 trespass and game laws, the commissioner may by written order, close any road or trail
84.14 leading into any land used for any conservation purposes, to all modes of travel except
84.15 that considered essential such as residents traveling to and from their homes or in other
84.16 cases to be determined by the authorized forest officers assigned to guard the area.

84.17 (b) **Burning ban.** The commissioner may also, upon such determination, by written
84.18 order, suspend the issuance of permits for open fires or prescribed burns, revoke or suspend
84.19 the operation of a permit previously issued and, to the extent the commissioner deems
84.20 necessary, prohibit the building of all or some kinds of open fires or prescribed burns in all
84.21 or any part of a wildfire area regardless of whether a permit is otherwise required; and the
84.22 commissioner also may, by written order, prohibit smoking except at places of habitation
84.23 or automobiles or other enclosed vehicles properly equipped with an efficient ash tray.

84.24 Sec. 30. Minnesota Statutes 2014, section 89.0385, is amended to read:

84.25 **89.0385 FOREST MANAGEMENT INVESTMENT ACCOUNT; COST**
84.26 **CERTIFICATION.**

84.27 (a) The commissioner shall certify the total costs incurred for forest management,
84.28 forest improvement, and road improvement on state-managed lands during each fiscal
84.29 year. The commissioner shall distribute forest management receipts credited to various
84.30 accounts according to this section.

84.31 (b) The amount of the certified costs incurred for forest management activities on
84.32 state lands shall be transferred from the account where receipts are deposited to the forest
84.33 management investment account in the natural resources fund, except for those costs
84.34 certified under section 16A.125. Transfers may occur quarterly, based on quarterly cost and

85.1 revenue reports, throughout the fiscal year, with final certification and reconciliation after
85.2 each fiscal year. Transfers in a fiscal year cannot exceed receipts credited to the account.

85.3 (c) The amount of the certified costs incurred for forest management activities
85.4 on nonstate lands managed under a good neighbor or joint powers agreement must be
85.5 transferred from the account where receipts are deposited to the forest management
85.6 investment account in the natural resources fund. Transfers for costs incurred may occur
85.7 after projects or timber permits are finalized.

85.8 Sec. 31. Minnesota Statutes 2014, section 93.0015, subdivision 3, is amended to read:

85.9 Subd. 3. **Expiration.** The committee expires June 30, ~~2016~~ 2026.

85.10 Sec. 32. Minnesota Statutes 2014, section 93.2236, is amended to read:

85.11 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

85.12 (a) The minerals management account is created as an account in the natural
85.13 resources fund. Interest earned on money in the account accrues to the account. Money in
85.14 the account may be spent or distributed only as provided in paragraphs (b) and (c).

85.15 (b) If the balance in the minerals management account exceeds \$3,000,000 on March
85.16 31, June 30, September 30, or December 31, the amount exceeding \$3,000,000 must
85.17 be distributed to the permanent school fund, the permanent university fund, and taxing
85.18 districts as provided in section 93.22, subdivision 1, paragraph (c). The amount distributed
85.19 to each fund must be in the same proportion as the total mineral lease revenue received
85.20 in the previous biennium from school trust lands, university lands, and lands held by the
85.21 state in trust for taxing districts.

85.22 (c) Subject to appropriation by the legislature, money in the minerals management
85.23 account may be spent by the commissioner of natural resources for mineral resource
85.24 management and projects to enhance future mineral income and promote new mineral
85.25 resource opportunities.

85.26 Sec. 33. Minnesota Statutes 2014, section 94.3495, subdivision 2, is amended to read:

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

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

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

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

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

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

86.5 (b) "School trust land" has the meaning given in section 92.025.

86.6 (c) "University land" means land granted to the state by acts of Congress for
86.7 university purposes.

86.8 Sec. 34. Minnesota Statutes 2014, section 94.3495, subdivision 3, is amended to read:

86.9 Subd. 3. **Valuation of land.** (a) In an exchange of Class 1 land for Class 2 or 3 land,
86.10 the value of all the land shall be determined by the commissioner of natural resources,
86.11 but the county board must approve the value determined for the Class 2 land, and the
86.12 governmental subdivision of the state must approve the value determined for the Class 3
86.13 land. In an exchange of Class 2 land for Class 3 land, the value of all the land shall be
86.14 determined by the county board of the county in which the land lies, but the governmental
86.15 subdivision of the state must approve the value determined for the Class 3 land.

86.16 (b) To determine the value of the land, the parties to the exchange may either (1)
86.17 cause the land to be appraised, utilize the valuation process provided under section
86.18 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker or
86.19 (2) determine the value for each 40-acre tract or lot, or a portion thereof, using the most
86.20 current township or county assessment schedules for similar land types from the county
86.21 assessor of the county in which the lands are located. Merchantable timber value ~~must~~
86.22 should be determined and considered in finalizing valuation of the lands.

86.23 ~~(b) All~~ (c) Except for school trust lands and university lands, the lands exchanged
86.24 under this section shall be exchanged only for lands of at least substantially equal value.
86.25 For the purposes of this subdivision, "substantially equal value" has the meaning given
86.26 under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the
86.27 lands, other than school trust lands or university lands, are of substantially equal value but
86.28 are not of the same value.

86.29 (d) School trust lands and university lands exchanged under this section must be
86.30 exchanged only for lands of equal or greater value.

86.31 Sec. 35. Minnesota Statutes 2014, section 94.3495, subdivision 7, is amended to read:

86.32 Subd. 7. **Reversionary interest; Mineral and water power rights and other**
86.33 **reservations.** (a) ~~All deeds conveying land given in an expedited land exchange under~~

87.1 ~~this section shall include a reverter that provides that title to the land automatically reverts~~
87.2 ~~to the conveying governmental unit if:~~

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

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

87.9 ~~(b) Class 1 land given in exchange is subject to the reservation provisions of section~~
87.10 ~~94.343, subdivision 4. Class 2 land given in exchange is subject to the reservation~~
87.11 ~~provisions of section 94.344, subdivision 4. County fee land given in exchange is subject~~
87.12 ~~to the reservation provisions of section 373.01, subdivision 1, paragraph (g).~~

87.13 Sec. 36. Minnesota Statutes 2014, section 97A.075, subdivision 7, is amended to read:

87.14 Subd. 7. **Wolf licenses; account established.** (a) For purposes of this subdivision,
87.15 "wolf license" means a license or permit issued under section 97A.475, subdivision 2,
87.16 clause (20); 3, paragraph (a), clause (16); or 20, paragraph (b).

87.17 (b) A wolf management and monitoring account is created in the game and fish fund.
87.18 Revenue from wolf licenses must be credited to the wolf management and monitoring
87.19 account and is appropriated to the commissioner only for wolf management, research,
87.20 damage control, enforcement, and education. Notwithstanding any other law to the
87.21 contrary, money credited to the account may not be used to pay indirect costs or agency
87.22 shared services.

87.23 Sec. 37. Minnesota Statutes 2014, section 97A.405, subdivision 2, is amended to read:

87.24 Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from
87.25 an area where a licensed activity was performed must have in personal possession either:
87.26 (1) the proper license, if the license has been issued to and received by the person; (2) a
87.27 driver's license or Minnesota identification card that bears a valid designation of the proper
87.28 lifetime license, as provided under section 171.07, subdivision 19; or (2) (3) the proper
87.29 license identification number or stamp validation, if the license has been sold to the person
87.30 by electronic means but the actual license has not been issued and received.

87.31 (b) If possession of a license or a license identification number is required, a person
87.32 must exhibit, as requested by a conservation officer or peace officer, either: (1) the
87.33 proper license if the license has been issued to and received by the person; (2) a driver's
87.34 license or Minnesota identification card that bears a valid designation of the proper

88.1 lifetime license, as provided under section 171.07, subdivision 19; or (2) (3) the proper
88.2 license identification number or stamp validation and a valid state driver's license, state
88.3 identification card, or other form of identification provided by the commissioner, if the
88.4 license has been sold to the person by electronic means but the actual license has not been
88.5 issued and received. A person charged with violating the license possession requirement
88.6 shall not be convicted if the person produces in court or the office of the arresting officer,
88.7 the actual license previously issued to that person, which was valid at the time of arrest,
88.8 or satisfactory proof that at the time of the arrest the person was validly licensed. Upon
88.9 request of a conservation officer or peace officer, a licensee shall write the licensee's name
88.10 in the presence of the officer to determine the identity of the licensee.

88.11 (c) Except as provided in paragraph (a), clause (2), if the actual license has been
88.12 issued and received, a receipt for license fees, a copy of a license, or evidence showing the
88.13 issuance of a license, including the license identification number or stamp validation, does
88.14 not entitle a licensee to exercise the rights or privileges conferred by a license.

88.15 (d) A license issued electronically and not immediately provided to the licensee shall
88.16 be mailed to the licensee within 30 days of purchase of the license. A pictorial migratory
88.17 waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee
88.18 after purchase of a stamp validation only if the licensee pays an additional fee that covers
88.19 the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be
88.20 purchased for a fee that covers the costs of producing and mailing the pictorial stamp.
88.21 Notwithstanding section 16A.1283, the commissioner may, by written order published in
88.22 the State Register, establish fees for providing the pictorial stamps. The fees must be set in
88.23 an amount that does not recover significantly more or less than the cost of producing and
88.24 mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14,
88.25 and section 14.386 does not apply.

88.26 **EFFECTIVE DATE.** This section is effective January 1, 2018, or on the date
88.27 the Department of Public Safety implements the Minnesota Licensing and Registration
88.28 System (MNLARS), whichever occurs first.

88.29 Sec. 38. Minnesota Statutes 2014, section 97A.465, is amended by adding a
88.30 subdivision to read:

88.31 **Subd. 8. Nonresident active members of National Guard.** A nonresident that is
88.32 an active member of the state's National Guard may obtain a resident license to take fish or
88.33 game. This subdivision does not apply to the taking of moose or elk.

89.1 Sec. 39. Minnesota Statutes 2014, section 171.07, is amended by adding a subdivision
89.2 to read:

89.3 Subd. 19. Resident lifetime game and fish license. (a) The department shall
89.4 maintain in its records information transmitted electronically from the commissioner of
89.5 natural resources identifying each person to whom the commissioner has issued a resident
89.6 lifetime license under section 97A.473. The records transmitted from the Department of
89.7 Natural Resources must contain:

89.8 (1) the full name and date of birth as required for the driver's license or identification
89.9 card;

89.10 (2) the person's driver's license or identification card number;

89.11 (3) the category of lifetime license issued under section 97A.473; and

89.12 (4) the Department of Natural Resources customer identification number.

89.13 (b) The department may delete records described in paragraph (a) if they have not
89.14 been matched to a driver's license or identification card record within seven years after
89.15 transmission to the department.

89.16 (c) Except as provided in paragraph (b), the department shall include, on all drivers'
89.17 licenses or Minnesota identification cards issued to a person who holds a lifetime license,
89.18 a graphic or written designation of the lifetime license, and the category of the lifetime
89.19 license.

89.20 (d) If a person with a lifetime license under section 97A.473 applies for a driver's
89.21 license or Minnesota identification card before that information has been transmitted to the
89.22 department, the department may accept a copy of the license issued under section 97A.473
89.23 as proof of its issuance and shall then follow the procedures in paragraph (c).

89.24 **EFFECTIVE DATE.** This section is effective January 1, 2018, or on the date
89.25 the Department of Public Safety implements the Minnesota Licensing and Registration
89.26 System (MNLARS), whichever occurs first.

89.27 Sec. 40. Laws 2014, chapter 312, article 12, section 6, subdivision 5, as amended by
89.28 Laws 2015, First Special Session chapter 4, article 3, section 11, is amended to read:

89.29 **Subd. 5. Fish and Wildlife**
89.30 **Management**

-0- 2,412,000

89.31 \$3,000 in 2015 is from the heritage
89.32 enhancement account in the game and fish
89.33 fund for a report on aquatic plant management
89.34 permitting policies for the management

90.1 of narrow-leaved and hybrid cattail in a
90.2 range of basin types across the state. The
90.3 report shall be submitted to the chairs and
90.4 ranking minority members of the house of
90.5 representatives and senate committees with
90.6 jurisdiction over environment and natural
90.7 resources by December 15, 2014, and include
90.8 recommendations for any necessary changes
90.9 in statutes, rules, or permitting procedures.

90.10 This is a onetime appropriation.

90.11 \$9,000 in 2015 is from the game and fish
90.12 fund for the commissioner, in consultation
90.13 with interested parties, agencies, and other
90.14 states, to develop a detailed restoration plan
90.15 to recover the historical native population of
90.16 bobwhite quail in Minnesota for its ecological
90.17 and recreational benefits to the citizens of the
90.18 state. The commissioner shall conduct public
90.19 meetings in developing the plan. No later
90.20 than January 15, 2015, the commissioner
90.21 must report on the plan's progress to the
90.22 legislative committees with jurisdiction over
90.23 environment and natural resources policy
90.24 and finance. This is a onetime appropriation.

90.25 \$2,000,000 in 2015 is from the game and
90.26 fish fund for shooting sports facility grants
90.27 under Minnesota Statutes, section 87A.10.
90.28 The commissioner may spend up to \$50,000
90.29 of this appropriation to administer the grant.
90.30 This is a onetime appropriation and is
90.31 available until June 30, 2017.

90.32 \$400,000 in 2015 is from the heritage
90.33 enhancement account in the game and fish
90.34 fund for hunter and angler recruitment
90.35 and retention activities and grants to local

91.1 chapters of Let's Go Fishing of Minnesota
 91.2 to provide community outreach to senior
 91.3 citizens, youth, and veterans and for the costs
 91.4 associated with establishing and recruiting
 91.5 new chapters. The grants must be matched
 91.6 with cash or in-kind contributions from
 91.7 nonstate sources. Of this amount, \$25,000
 91.8 is for Asian ~~Outdoor Heritage~~ for youth
 91.9 fishing recruitment efforts and outreach in
 91.10 the metropolitan area. The commissioner
 91.11 shall establish a grant application process
 91.12 that includes a standard for ownership
 91.13 of equipment purchased under the grant
 91.14 program and contract requirements that
 91.15 cover the disposition of purchased equipment
 91.16 if the grantee no longer exists. Any
 91.17 equipment purchased with state grant money
 91.18 must be specified on the grant application
 91.19 and approved by the commissioner. The
 91.20 commissioner may spend up to three percent
 91.21 of the appropriation to administer the grant.
 91.22 This is a onetime appropriation and is
 91.23 available until June 30, ~~2016~~ 2017.

91.24 Sec. 41. Laws 2015, First Special Session chapter 4, article 3, section 3, subdivision 2,
 91.25 is amended to read:

91.26 Subd. 2. **Land and Mineral Resources**
 91.27 **Management** 6,461,000 5,521,000

91.28	Appropriations by Fund		
91.29		2016	2017
91.30	General	1,585,000	1,585,000
91.31	Natural Resources	3,332,000	3,392,000
91.32	Game and Fish	344,000	344,000
91.33	Remediation	1,000,000	-0-
91.34	Permanent School	200,000	200,000

91.35 \$68,000 the first year and \$68,000 the
 91.36 second year are for minerals cooperative

92.1 environmental research, ~~of which \$34,000~~
92.2 ~~the first year and \$34,000 the second year are~~
92.3 ~~available only as matched by \$1 of nonstate~~
92.4 ~~money for each \$1 of state money. The~~
92.5 ~~match may be cash or in-kind.~~

92.6 \$251,000 the first year and \$251,000 the
92.7 second year are for iron ore cooperative
92.8 research. Of this amount, \$200,000 each year
92.9 is from the minerals management account
92.10 in the natural resources fund. ~~\$175,000 the~~
92.11 ~~first year and \$175,000 the second year are~~
92.12 ~~available only as matched by \$1 of nonstate~~
92.13 ~~money for each \$1 of state money. The match~~
92.14 ~~may be cash or in-kind.~~ Any unencumbered
92.15 balance from the first year does not cancel
92.16 and is available in the second year.

92.17 \$2,755,000 the first year and \$2,815,000
92.18 the second year are from the minerals
92.19 management account in the natural resources
92.20 fund for use as provided in Minnesota
92.21 Statutes, section 93.2236, paragraph (c),
92.22 for mineral resource management, projects
92.23 to enhance future mineral income, and
92.24 projects to promote new mineral resource
92.25 opportunities.

92.26 \$200,000 the first year and \$200,000 the
92.27 second year are from the state forest suspense
92.28 account in the permanent school fund to
92.29 accelerate land exchanges, land sales, and
92.30 commercial leasing of school trust lands and
92.31 to identify, evaluate, and lease construction
92.32 aggregate located on school trust lands. This
92.33 appropriation is to be used for securing
92.34 long-term economic return from the
92.35 school trust lands consistent with fiduciary

93.1 responsibilities and sound natural resources
 93.2 conservation and management principles.
 93.3 Notwithstanding Minnesota Statutes, section
 93.4 115B.20, \$1,000,000 the first year is from
 93.5 the dedicated account within the remediation
 93.6 fund for the purposes of Minnesota Statutes,
 93.7 section 115B.20, subdivision 2, clause (4),
 93.8 to acquire salt lands as described under
 93.9 Minnesota Statutes, section 92.05, within
 93.10 Bear Head Lake State Park. This is a onetime
 93.11 appropriation and is available until June 30,
 93.12 2018.

93.13 Sec. 42. Laws 2015, First Special Session chapter 4, article 3, section 3, subdivision 5,
 93.14 is amended to read:

93.15 **Subd. 5. Parks and Trails Management** 74,064,000 73,650,000

93.16	Appropriations by Fund		
93.17		2016	2017
93.18	General	24,967,000	24,427,000
93.19	Natural Resources	46,831,000	46,950,000
93.20	Game and Fish	2,266,000	2,273,000

93.21 \$1,075,000 the first year and \$1,075,000 the
 93.22 second year are from the water recreation
 93.23 account in the natural resources fund for
 93.24 enhancing public water access facilities.

93.25 \$5,740,000 the first year and \$5,740,000 the
 93.26 second year are from the natural resources
 93.27 fund for state trail, park, and recreation area
 93.28 operations. This appropriation is from the
 93.29 revenue deposited in the natural resources
 93.30 fund under Minnesota Statutes, section
 93.31 297A.94, paragraph (e), clause (2).

93.32 \$1,005,000 the first year and \$1,005,000 the
 93.33 second year are from the natural resources
 93.34 fund for park and trail grants to local units of

94.1 government on land to be maintained for at
94.2 least 20 years for the purposes of the grants.
94.3 This appropriation is from the revenue
94.4 deposited in the natural resources fund
94.5 under Minnesota Statutes, section 297A.94,
94.6 paragraph (e), clause (4). Any unencumbered
94.7 balance does not cancel at the end of the first
94.8 year and is available for the second year. Up
94.9 to 2.5 percent of this appropriation may be
94.10 used to administer the grants.

94.11 \$8,424,000 the first year and \$8,424,000
94.12 the second year are from the snowmobile
94.13 trails and enforcement account in the
94.14 natural resources fund for the snowmobile
94.15 grants-in-aid program. Any unencumbered
94.16 balance does not cancel at the end of the first
94.17 year and is available for the second year.

94.18 \$1,360,000 the first year and \$1,360,000
94.19 the second year are from the natural
94.20 resources fund for the off-highway vehicle
94.21 grants-in-aid program. Of this amount,
94.22 \$1,210,000 each year is from the all-terrain
94.23 vehicle account; and \$150,000 each year is
94.24 from the off-highway motorcycle account.
94.25 Any unencumbered balance does not cancel
94.26 at the end of the first year and is available for
94.27 the second year.

94.28 \$75,000 the first year and \$75,000 the second
94.29 year are from the cross-country ski account
94.30 in the natural resources fund for grooming
94.31 and maintaining cross-country ski trails in
94.32 state parks, trails, and recreation areas.

94.33 \$250,000 the first year and \$250,000 the
94.34 second year are from the state land and
94.35 water conservation account (LAWCON)

95.1 in the natural resources fund for priorities
95.2 established by the commissioner for eligible
95.3 state projects and administrative and
95.4 planning activities consistent with Minnesota
95.5 Statutes, section 84.0264, and the federal
95.6 Land and Water Conservation Fund Act.
95.7 Any unencumbered balance does not cancel
95.8 at the end of the first year and is available for
95.9 the second year.

95.10 \$968,000 the first year and \$968,000 the
95.11 second year are from the off-road vehicle
95.12 account in the natural resources fund. Of
95.13 this amount, \$568,000 each year is for parks
95.14 and trails management for off-road vehicle
95.15 purposes; \$325,000 each year is for the
95.16 off-road vehicle grant in aid program; and
95.17 \$75,000 each year is for a new full-time
95.18 employee position or contract in northern
95.19 Minnesota to work in conjunction with the
95.20 Minnesota Four-Wheel Drive Association
95.21 to address off-road vehicle touring routes
95.22 and other issues related to off-road vehicle
95.23 activities. Of this appropriation, the \$325,000
95.24 each year is onetime.

95.25 \$65,000 the first year is from the water
95.26 recreation account in the natural resources
95.27 fund to cooperate with local units of
95.28 government in marking routes and
95.29 designating river accesses and campsites
95.30 under Minnesota Statutes, section 85.32.
95.31 This is a onetime appropriation and is
95.32 available until June 30, 2019.

95.33 \$190,000 the first year is for a grant to the
95.34 city of Virginia for the additional cost of
95.35 supporting a trail due to the rerouting of

96.1 U.S. Highway No. 53. This is a onetime
96.2 appropriation and is available until June 30,
96.3 2019.

96.4 \$50,000 the first year is for development of
96.5 a master plan for the Mississippi Blufflands
96.6 Trail, including work on possible extensions
96.7 or connections to other state or regional
96.8 trails. This is a onetime appropriation that is
96.9 available until June 30, 2017.

96.10 \$61,000 from the natural resources fund the
96.11 first year is for a grant to the city of East
96.12 Grand Forks for payment under a reciprocity
96.13 agreement for the Red River State Recreation
96.14 Area.

96.15 \$500,000 the first year is for restoration or
96.16 replacement of a historic trestle bridge in
96.17 Blackduck. This is a onetime appropriation
96.18 and is available until June 30, 2019.

96.19 The base for parks and trails operations in
96.20 the natural resources fund in fiscal year 2018
96.21 and thereafter is \$46,450,000.

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

96.23 Sec. 43. Laws 2015, First Special Session chapter 4, article 4, section 131, is amended
96.24 to read:

96.25 Sec. 131. **SURPLUS STATE LAND SALES.**

96.26 The school trust lands director shall identify, in consultation with the commissioner
96.27 of natural resources, at least \$5,000,000 in state-owned lands suitable for sale or exchange
96.28 with school trust lands. The lands identified shall not be within a unit of the outdoor
96.29 recreation system under Minnesota Statutes, section 86A.05, an administrative site, or
96.30 trust land. The commissioner shall sell or exchange at least \$3,000,000 worth of lands
96.31 identified under this section by June 30, 2017. Land exchanged under this section may
96.32 be exchanged in accordance with Minnesota Statutes, section 94.3495. The value of
96.33 the surplus land exchanged shall serve as compensation to the permanent school fund

97.1 as provided under Minnesota Statutes, section 84.027, subdivision 18, paragraph (b).
97.2 Notwithstanding the restrictions on sale of riparian land and the public sale provisions
97.3 under Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner may
97.4 offer the surplus land, including land bordering public water, for public or private sale.
97.5 Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or any other law to the
97.6 contrary, ~~the amount~~ an amount equal to 90 percent of the proceeds from the sale of lands
97.7 that exceeds the actual expenses of selling the lands must be deposited in the school trust
97.8 lands account and used to extinguish the school trust interest as provided under Minnesota
97.9 Statutes, section 92.83, on school trust lands that have public water access sites or old
97.10 growth forests located on them. Notwithstanding Minnesota Statutes, section 92.83, the
97.11 remaining ten percent of the proceeds must be used to fund transactional and legal work
97.12 associated with the Boundary Waters Canoe Area Wilderness land exchange and sale
97.13 projects under Minnesota Statutes, sections 92.80 and 92.82.

97.14 Sec. 44. **COLD SPRING WATER APPROPRIATION PERMITS; REPORT.**

97.15 (a) The commissioner of natural resources shall amend the city of Cold Spring's
97.16 water appropriation permit to allow an increase in the city's water withdrawal of 100
97.17 million gallons per year from city wells 4, 5, and 6, provided a combined reduction of
97.18 ten million gallons per year is made from city well 3 or water appropriations under any
97.19 permits held by brewing companies in the Cold Spring Creek area. The city and any other
97.20 permit holder with permit modifications made under this section must comply with all
97.21 existing reporting requirements and demonstrate that increased pumping does not result in
97.22 violations of the Safe Drinking Water Act. The increases under this section are available
97.23 on an interim basis, not to exceed five years, to allow the city to establish a long-term
97.24 water supply solution for the city and area businesses.

97.25 (b) The commissioner must conduct necessary monitoring of stream flow and water
97.26 levels and develop a groundwater model to determine the amount of water that can be
97.27 sustainably pumped in the area of Cold Spring Creek for area businesses, agriculture, and
97.28 city needs. Beginning July 1, 2017, the commissioner must submit an annual progress
97.29 report to the chairs and ranking minority members of the house of representatives and
97.30 senate committees and divisions with jurisdiction over environment and natural resources.
97.31 The commissioner must submit a final report by January 15, 2022.

97.32 Sec. 45. **MARINE CARBON MONOXIDE DETECTORS; REPORT.**

97.33 The commissioner of natural resources shall submit a report to the legislature
97.34 by November 1, 2017. The report must outline any issues encountered relating

98.1 to implementation of Minnesota Statutes, section 86B.532, any changes to marine
98.2 manufacturing industry standards relating to carbon monoxide, the availability of plug-in
98.3 or battery-powered marine certified carbon monoxide detectors, and best practices in
98.4 preventing carbon monoxide poisoning relating to motorboat operation, including the
98.5 feasibility of requiring carbon monoxide detectors that are more sensitive in measuring
98.6 carbon monoxide than required in this act.

98.7 **Sec. 46. PRESCRIBED BURN REQUIREMENTS; REPORT.**

98.8 The commissioner of natural resources, in cooperation with prescribed burning
98.9 professionals, nongovernmental organizations, and local and federal governments, must
98.10 develop criteria for certifying an entity to conduct a prescribed burn under a general
98.11 permit. The certification requirements must include training, equipment, and experience
98.12 requirements and include an apprentice program to allow entities without experience to
98.13 become certified. The commissioner must establish provisions for decertifying entities.
98.14 The commissioner must not require additional certification or requirements for burns
98.15 conducted as part of normal agricultural practices not currently subject to prescribed burn
98.16 specifications. The commissioner must submit a report with recommendations and any
98.17 legislative changes needed to the chairs and ranking minority members of the house of
98.18 representatives and senate committees and divisions with jurisdiction over environment
98.19 and natural resources by January 15, 2017.

98.20 **Sec. 47. SAND DUNES STATE FOREST; REPORT.**

98.21 (a) Until July 1, 2017, the commissioner of natural resources shall not log, enter into
98.22 a logging contract, or otherwise remove trees for purposes of creating oak savanna in the
98.23 Sand Dunes State Forest. This paragraph does not prohibit work done under contracts
98.24 entered into before the effective date of this section or work on school trust lands.

98.25 (b) By January 15, 2017, the commissioner must submit a report, prepared by
98.26 the Division of Forestry, to the chairs and ranking minority members of the house of
98.27 representatives and senate committees and divisions with jurisdiction over environment
98.28 and natural resources with the Division of Forestry's progress on collaborating with local
98.29 citizens and other stakeholders over the past year when making decisions that impact
98.30 the landscape, including forest conversions and other clear-cutting activities, and the
98.31 division's progress on other citizen engagement activities.

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

98.33 **Sec. 48. LAKE SERVICE PROVIDER FEASIBILITY REPORT.**

99.1 The commissioner of natural resources shall report to the chairs of the house of
99.2 representatives and senate committees with jurisdiction over natural resources by January
99.3 15, 2019, regarding the feasibility of expanding permitting to service providers as
99.4 described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in
99.5 the state. The report must:

99.6 (1) include recommendations for state and local resources needed to implement the
99.7 program;

99.8 (2) assess local government inspection roles under Minnesota Statutes, section
99.9 84D.105, subdivision 2, paragraph (g); and

99.10 (3) assess whether mechanisms to ensure that water-related equipment placed back
99.11 into the same body of water from which it was removed can adequately protect other
99.12 water bodies.

99.13 Sec. 49. **WORKERS' COMPENSATION FOR VOLUNTEERS; REPORT.**

99.14 By January 15, 2017, the commissioner of natural resources, in coordination with
99.15 the commissioner of labor and industry and the Workers' Compensation Advisory Council,
99.16 shall make recommendations to the chairs of the house of representatives and senate
99.17 committees and divisions with jurisdiction over the environment and natural resources on
99.18 how to clarify the state's liability for workers' compensation in relation to volunteers of
99.19 nonprofit organizations assisting with providing public services on lands administered
99.20 by the commissioner of natural resources subject to Minnesota Statutes, section 175.007,
99.21 subdivision 2.

99.22 Sec. 50. **AGGREGATE RESOURCES TASK FORCE.**

99.23 Subdivision 1. **Creation; membership.** (a) The Aggregate Resources Task Force
99.24 consists of eight members appointed as follows:

99.25 (1) the speaker of the house shall appoint four members of the house of representatives
99.26 to include two members of the majority party and two members of the minority party, with
99.27 one member being the chair of the committee with jurisdiction over aggregate mining; and

99.28 (2) the senate Subcommittee on Committees of the Committee on Rules and
99.29 Administration shall appoint four members of the senate to include two members of the
99.30 majority party and two members of the minority party, with one member being the chair of
99.31 the committee or division with jurisdiction over natural resources finance.

99.32 (b) The appointing authorities must make their respective appointments no later
99.33 than July 15, 2016.

100.1 (c) The first meeting of the task force must be convened by the chairs of the house
100.2 of representatives and senate committees specified in paragraph (a) who will serve as
100.3 cochairs of the task force.

100.4 Subd. 2. **Duties.** The task force must study and provide recommendations on:

100.5 (1) the Department of Natural Resources' and Metropolitan Council's aggregate
100.6 mapping progress and needs;

100.7 (2) the effectiveness of recent aggregate tax legislation and the use of the revenues
100.8 collected by counties;

100.9 (3) the use of state funds to preserve aggregate reserves; and

100.10 (4) local land use and permitting issues, environmental review requirements, and the
100.11 impacts of other state regulations on aggregate reserves.

100.12 Subd. 3. **Report.** No later than January 15, 2018, the task force shall submit a
100.13 report to the chairs of the house of representatives and senate committees and divisions
100.14 with jurisdiction over aggregate mining and natural resources finance containing the
100.15 findings of the study.

100.16 Subd. 4. **Expiration.** The Aggregate Resources Task Force expires 45 days after
100.17 the report and recommendations are delivered to the legislature or on June 30, 2018,
100.18 whichever date is earlier.

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

100.20 Sec. 51. **APPROPRIATION REALLOCATION.**

100.21 Notwithstanding Laws 2013, chapter 137, article 3, section 4, paragraph (o), and
100.22 Laws 2015, First Special Session chapter 2, article 3, section 4, paragraph (b), the
100.23 Minneapolis Park and Recreation Board may allocate its share of the distribution of fiscal
100.24 years 2016 and 2017 funds under Minnesota Statutes, section 85.53, subdivision 3, to the
100.25 Minneapolis Chain of Lakes, Mississippi Gorge, Above the Falls, and Central Mississippi
100.26 Riverfront Regional Parks in accordance with the most recent priority rankings that the
100.27 Minneapolis Park and Recreation Board has submitted to the Metropolitan Council. This
100.28 reallocation of funds is anticipated to result in \$500,000 in federal funds to match extant
100.29 parks and trails fund appropriations.

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

100.31 Sec. 52. **CITATION.**

100.32 Sections 23, 24, 25, 26, and 45 may be known and cited as "Sophia's Law."

101.1 Sec. 53. **REPEALER.**

101.2 Minnesota Statutes 2014, section 116P.13, is repealed.

101.3 **EFFECTIVE DATE.** This section is effective July 1, 2018, and any funds remaining
 101.4 in the Minnesota future resources fund on July 1, 2018, are transferred to the general fund.

101.5 **ARTICLE 4**

101.6 **PUBLIC SAFETY AND CORRECTIONS**

101.7 Section 1. **APPROPRIATIONS.**

101.8 The sums shown in the column under "Appropriations" are added to the
 101.9 appropriations in Laws 2015, chapter 65, article 1, to the agencies and for the purposes
 101.10 specified in this article. The appropriations are from the general fund, or another named
 101.11 fund, and are available for the fiscal years indicated for each purpose. The figures "2016"
 101.12 and "2017" used in this article mean that the addition to the appropriation listed under
 101.13 them is available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively.
 101.14 Supplemental appropriations for the fiscal year ending June 30, 2016, are effective the
 101.15 day following final enactment.

101.16		<u>APPROPRIATIONS</u>		
101.17		<u>Available for the Year</u>		
101.18		<u>Ending June 30</u>		
101.19		<u>2016</u>		<u>2017</u>

101.20	Sec. 2. <u>SUPREME COURT</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>1,000,000</u>
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101.21 For a competitive grant program established
 101.22 by the chief justice for the distribution of
 101.23 safe and secure courthouse fund grants to
 101.24 government entities responsible for providing
 101.25 or maintaining a courthouse or other facility
 101.26 where court proceedings are held. Grant
 101.27 recipients must provide a 50 percent nonstate
 101.28 match. This is a onetime appropriation and is
 101.29 available until June 30, 2019.

101.30	Sec. 3. <u>DISTRICT COURTS</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>1,547,000</u>
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101.31 To increase the juror per diem to \$20 and the
 101.32 juror mileage reimbursement rate to 54 cents
 101.33 per mile.

102.1	Sec. 4. <u>GUARDIAN AD LITEM BOARD</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>878,000</u>
102.2	<u>To hire additional guardians ad litem to</u>				
102.3	<u>comply with federal and state mandates,</u>				
102.4	<u>and court orders for representing the best</u>				
102.5	<u>interests of children in juvenile and family</u>				
102.6	<u>court proceedings.</u>				
102.7	Sec. 5. <u>HUMAN RIGHTS</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>180,000</u>
102.8	<u>For a St. Cloud office.</u>				
102.9	Sec. 6. <u>CORRECTIONS</u>				
102.10	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>4,341,000</u>	<u>\$</u>	<u>15,426,000</u>
102.11	<u>The amounts that may be spent for each</u>				
102.12	<u>purpose are specified in the following</u>				
102.13	<u>subdivisions.</u>				
102.14	Subd. 2. <u>Correctional Institutions</u>		<u>4,037,000</u>		<u>10,671,000</u>
102.15	<u>(a) Employee Compensation</u>				
102.16	<u>\$1,427,000 in fiscal year 2016 and</u>				
102.17	<u>\$7,512,000 in fiscal year 2017 are for</u>				
102.18	<u>employee compensation.</u>				
102.19	<u>(b) Challenge Incarceration Expansion</u>				
102.20	<u>\$2,610,000 in fiscal year 2016 and \$2,757,000</u>				
102.21	<u>in fiscal year 2017 are to increase capacity</u>				
102.22	<u>in the challenge incarceration program. The</u>				
102.23	<u>base for this activity is \$3,263,000 in fiscal</u>				
102.24	<u>year 2018 and \$3,623,000 in fiscal year 2019.</u>				
102.25	<u>(c) 24-Hour Nursing</u>				
102.26	<u>\$375,000 in fiscal year 2017 is for 24-hour</u>				
102.27	<u>nursing coverage seven days a week at</u>				
102.28	<u>MCF-Shakopee.</u>				
102.29	Subd. 3. <u>Community Services</u>		<u>241,000</u>		<u>2,566,000</u>
102.30	<u>(a) Employee Compensation</u>				

103.1 \$241,000 in fiscal year 2016 and \$860,000
 103.2 in fiscal year 2017 are for employee
 103.3 compensation.

103.4 **(b) Challenge Incarceration Expansion**

103.5 \$406,000 in fiscal year 2017 is to increase
 103.6 capacity in the challenge incarceration
 103.7 program.

103.8 **(c) Reentry and Halfway Houses**

103.9 \$300,000 in fiscal year 2017 is for grants to
 103.10 counties or groups of counties for reentry and
 103.11 halfway house services. Eligible programs
 103.12 must be proven to reduce recidivism. Grant
 103.13 recipients must provide a 50 percent nonstate
 103.14 match.

103.15 **(d) High-Risk Revocation Reduction**

103.16 **Program**

103.17 \$1,000,000 in fiscal year 2017 is to establish
 103.18 a high-risk revocation reduction program in
 103.19 the metropolitan area. The program shall
 103.20 provide sustained case planning, housing
 103.21 assistance, employment assistance, group
 103.22 mentoring, life skills programming, and
 103.23 transportation assistance to adult release
 103.24 violators who are being released from prison.

103.25	<u>Subd. 4. Operations Support</u>	<u>63,000</u>	<u>2,189,000</u>
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103.26 **(a) Employee Compensation**

103.27 \$63,000 in fiscal year 2016 and \$339,000
 103.28 in fiscal year 2017 are for employee
 103.29 compensation.

103.30 **(b) Information Technology Critical**

103.31 **Updates**

104.1 \$1,850,000 in fiscal year 2017 is for
 104.2 information technology upgrades and
 104.3 staffing. This is a onetime appropriation.

104.4 Sec. 7. **PUBLIC SAFETY** **\$** **-0-** **\$** **6,100,000**

	<u>Appropriations by Fund</u>		
104.6	<u>General</u>	<u>-0-</u>	<u>1,600,000</u>
104.7	<u>Trunk Highway</u>	<u>-0-</u>	<u>4,500,000</u>

104.8 The amounts that may be spent for each
 104.9 purpose are specified in the following
 104.10 paragraphs.

104.11 **(a) DNA Laboratory**

104.12 \$630,000 is for the Bureau of Criminal
 104.13 Apprehension DNA laboratory, including the
 104.14 addition of six forensic scientists. The base
 104.15 for this activity is \$1,000,000 in each of the
 104.16 fiscal years 2018 and 2019 for eight forensic
 104.17 scientists.

104.18 **(b) Children In Need of Services or in**
 104.19 **Out-Of-Home Placement**

104.20 \$150,000 is for a grant to an organization
 104.21 that provides legal representation to children
 104.22 in need of protection or services and children
 104.23 in out-of-home placement. The grant is
 104.24 contingent upon a match in an equal amount
 104.25 from nonstate funds. The match may be
 104.26 in kind, including the value of volunteer
 104.27 attorney time, or in cash, or in a combination
 104.28 of the two.

104.29 **(c) Sex Trafficking**

104.30 \$820,000 is for grants to state and local units
 104.31 of government for the following purposes:

105.1 (1) to support new or existing
105.2 multijurisdictional entities to investigate sex
105.3 trafficking crimes; and
105.4 (2) to provide technical assistance for
105.5 sex trafficking crimes, including training
105.6 and case consultation, to law enforcement
105.7 agencies statewide.

105.8 **(d) State Patrol**

105.9 \$4,500,000 is from the trunk highway fund
105.10 to recruit, hire, train, and equip a State
105.11 Patrol Academy. This amount is added to
105.12 the appropriation in Laws 2015, chapter 75,
105.13 article 1, section 5, subdivision 3. The base
105.14 appropriation from the trunk highway fund
105.15 for patrolling highways in each of fiscal
105.16 years 2018 and 2019 is \$87,492,000, which
105.17 includes \$4,500,000 each year for a State
105.18 Patrol Academy.

105.19 Sec. 8. Minnesota Statutes 2014, section 171.07, subdivision 6, is amended to read:

105.20 Subd. 6. **Medical alert identifier.** Upon the written request of the applicant, the
105.21 department shall issue a driver's license or Minnesota identification card bearing a graphic
105.22 or written medical alert identifier. The applicant must request the medical alert identifier at
105.23 the time the photograph or electronically produced image is taken. No specific medical
105.24 information will be contained on the driver's license or Minnesota identification card.

105.25 Sec. 9. Minnesota Statutes 2014, section 171.07, subdivision 7, is amended to read:

105.26 Subd. 7. **Living Will/Health Care Directive designation.** (a) At the written request
105.27 of the applicant and on payment of the required fee, the department shall issue, renew, or
105.28 reissue a driver's license or Minnesota identification card bearing the graphic or written
105.29 designation of a "Living Will/Health Care Directive" or an abbreviation thereof. The
105.30 designation does not constitute delivery of a health care declaration under section 145B.05.

105.31 (b) On payment of the required fee, the department shall issue a replacement or
105.32 renewal license or identification card without the designation if requested by the applicant.

106.1 (c) This subdivision does not impose any additional duty on a health care provider,
106.2 as defined in section 145B.02, subdivision 6, or 145C.01, subdivision 6, beyond the duties
106.3 imposed in chapter 145B or 145C.

106.4 (d) For the purposes of this subdivision:

106.5 (1) "living will" means a declaration made under section 145B.03; and

106.6 (2) "health care directive" means a durable power of attorney for health care under
106.7 section 145C.02, or any other written advance health care directive of the applicant that is
106.8 authorized by statute or not prohibited by law.

106.9 Sec. 10. Minnesota Statutes 2014, section 171.07, subdivision 15, is amended to read:

106.10 Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on
106.11 payment of the required fee, the department shall issue, renew, or reissue to the applicant a
106.12 driver's license or Minnesota identification card bearing a graphic or written designation of:

106.13 (1) "Veteran"; or

106.14 (2) "Veteran 100% T&P."

106.15 (b) At the time of the initial application for the designation provided under this
106.16 subdivision, the applicant must:

106.17 (1) be a veteran, as defined in section 197.447;

106.18 (2) have a certified copy of the veteran's discharge papers; and

106.19 (3) if the applicant is seeking the disability designation under paragraph (a), clause
106.20 (2), provide satisfactory evidence of a 100 percent total and permanent service-connected
106.21 disability as determined by the United States Department of Veterans Affairs.

106.22 (c) The commissioner of public safety is required to issue drivers' licenses and
106.23 Minnesota identification cards with the veteran designation only after entering a new
106.24 contract or in coordination with producing a new card design with modifications made
106.25 as required by law.

106.26 Sec. 11. Minnesota Statutes 2014, section 243.166, subdivision 1b, is amended to read:

106.27 Subd. 1b. **Registration required.** (a) A person shall register under this section if:

106.28 (1) the person was charged with or petitioned for a felony violation of or attempt to
106.29 violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted
106.30 of or adjudicated delinquent for that offense or another offense arising out of the same
106.31 set of circumstances:

106.32 (i) murder under section 609.185, paragraph (a), clause (2);

106.33 (ii) kidnapping under section 609.25;

107.1 (iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345;
107.2 609.3451, subdivision 3; or 609.3453; or

107.3 (iv) indecent exposure under section 617.23, subdivision 3;

107.4 (2) the person was charged with or petitioned for a violation of, or attempt to
107.5 violate, or aiding, abetting, or conspiring to commit criminal abuse in violation of section
107.6 609.2325, subdivision 1, paragraph (b); false imprisonment in violation of section
107.7 609.255, subdivision 2; solicitation, inducement, or promotion of the prostitution of a
107.8 minor or engaging in the sex trafficking of a minor in violation of section 609.322; a
107.9 prostitution offense involving a minor under the age of 13 years in violation of section
107.10 609.324, subdivision 1, paragraph (a); soliciting a minor to engage in sexual conduct in
107.11 violation of section 609.352, subdivision 2 or 2a, clause (1); using a minor in a sexual
107.12 performance in violation of section 617.246; or possessing pornographic work involving a
107.13 minor in violation of section 617.247, and convicted of or adjudicated delinquent for that
107.14 offense or another offense arising out of the same set of circumstances;

107.15 (3) the person was sentenced as a patterned sex offender under section 609.3455,
107.16 subdivision 3a; or

107.17 (4) the person was charged with or petitioned for, including pursuant to a court
107.18 martial, violating a law of the United States, including the Uniform Code of Military Justice,
107.19 similar to the offenses described in clause (1), (2), or (3), and convicted of or adjudicated
107.20 delinquent for that offense or another offense arising out of the same set of circumstances.

107.21 (b) A person also shall register under this section if:

107.22 (1) the person was charged with or petitioned for an offense in another state that
107.23 would be a violation of a law described in paragraph (a) if committed in this state and
107.24 convicted of or adjudicated delinquent for that offense or another offense arising out
107.25 of the same set of circumstances;

107.26 (2) the person enters this state to reside, work, or attend school, or enters this state
107.27 and remains for 14 days or longer; and

107.28 (3) ten years have not elapsed since the person was released from confinement
107.29 or, if the person was not confined, since the person was convicted of or adjudicated
107.30 delinquent for the offense that triggers registration, unless the person is subject to a longer
107.31 registration period under the laws of another state in which the person has been convicted
107.32 or adjudicated, or is subject to lifetime registration.

107.33 If a person described in this paragraph is subject to a longer registration period
107.34 in another state or is subject to lifetime registration, the person shall register for that
107.35 time period regardless of when the person was released from confinement, convicted, or
107.36 adjudicated delinquent.

108.1 (c) A person also shall register under this section if the person was committed
108.2 pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185,
108.3 chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state
108.4 or the United States, regardless of whether the person was convicted of any offense.

108.5 (d) A person also shall register under this section if:

108.6 (1) the person was charged with or petitioned for a felony violation or attempt to
108.7 violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another
108.8 state or the United States, or the person was charged with or petitioned for a violation of
108.9 any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or
108.10 the United States;

108.11 (2) the person was found not guilty by reason of mental illness or mental deficiency
108.12 after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in
108.13 states with a guilty but mentally ill verdict; and

108.14 (3) the person was committed pursuant to a court commitment order under section
108.15 253B.18 or a similar law of another state or the United States.

108.16 **EFFECTIVE DATE.** This section is effective August 1, 2016, and applies to crimes
108.17 committed on or after that date.

108.18 Sec. 12. **[325E.041] SENSORY TESTING RESEARCH.**

108.19 **Subdivision 1. Definitions.** For purposes of this section, the following terms have
108.20 the meanings given:

108.21 (1) "sensory testing firm" means a business that tests consumer reaction to physical
108.22 aspects of products for a third-party client;

108.23 (2) "trained sensory assessors" means members of the public at least 21 years of age
108.24 selected by sensory testing firms and trained for a minimum of one hour to test products;

108.25 (3) "sensory testing facility" means a facility specifically designed as a controlled
108.26 environment for testing; and

108.27 (4) "department" means the Department of Public Safety.

108.28 **Subd. 2. Allowed activities.** Notwithstanding any law to the contrary, a sensory
108.29 testing firm may possess and may purchase alcohol at retail or wholesale, and may allow
108.30 consumption of that alcohol, by trained sensory assessors for testing purposes at their
108.31 facility, provided that:

108.32 (1) the firm must comply with section 340A.409 and all other state laws that do not
108.33 conflict with this section;

108.34 (2) firms choosing to serve alcohol must be licensed by the department, which may
108.35 assess a fee sufficient to cover costs; and

109.1 (3) records of testing protocols must be retained by the firm for at least one year.

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

109.3 Sec. 13. Minnesota Statutes 2014, section 484.90, subdivision 6, is amended to read:

109.4 Subd. 6. **Allocation.** (a) In all cases prosecuted in district court by an attorney for a
109.5 municipality or other subdivision of government within the county for violations of state
109.6 statute, or of an ordinance; or charter provision, rule, or regulation of a city; all fines,
109.7 penalties, and forfeitures collected shall be deposited in the state treasury and distributed
109.8 according to this paragraph. For the purpose of this section, the county attorney shall be
109.9 considered the attorney for any town in which a violation occurs. Except where a different
109.10 disposition is provided by section 299D.03, subdivision 5, 484.841, 484.85, or other law,
109.11 on or before the last day of each month, the courts shall pay over all fines, penalties, and
109.12 forfeitures collected by the court administrator during the previous month as follows:

109.13 (1) 100 percent of all fines or penalties for parking violations for which complaints
109.14 and warrants have not been issued to the treasurer of the city or town in which the offense
109.15 was committed; and

109.16 (2) two-thirds of all other fines to the treasurer of the city or town in which the
109.17 offense was committed and one-third credited to the state general fund.

109.18 All other fines, penalties, and forfeitures collected by the court administrator shall be
109.19 distributed by the courts as provided by law.

109.20 (b) Fines, penalties, and forfeitures shall be distributed as provided in paragraph
109.21 (a) when:

109.22 (1) a city contracts with the county attorney for prosecutorial services under section
109.23 484.87, subdivision 3;

109.24 (2) a city has a population of 600 or less and has given the duty to prosecute cases to
109.25 the county attorney under section 484.87; or

109.26 (3) the attorney general provides assistance to the county attorney as permitted by law.

109.27 Sec. 14. **[609.2233] FELONY ASSAULT MOTIVATED BY BIAS; INCREASED**
109.28 **STATUTORY MAXIMUM SENTENCE.**

109.29 A person who violates section 609.221, 609.222, or 609.223 because of the victim's
109.30 or another person's actual or perceived race, color, religion, sex, sexual orientation,
109.31 disability as defined in section 363A.03, age, or national origin is subject to a statutory
109.32 maximum penalty of 25 percent longer than the maximum penalty otherwise applicable.

110.1 **EFFECTIVE DATE.** This section is effective August 1, 2016, and applies to crimes
110.2 committed on or after that date.

110.3 Sec. 15. Minnesota Statutes 2015 Supplement, section 609.324, subdivision 1, is
110.4 amended to read:

110.5 Subdivision 1. **Engaging in, hiring, or agreeing to hire minor to engage in**
110.6 **prostitution; penalties.** (a) Whoever intentionally does any of the following may be
110.7 sentenced to imprisonment for not more than 20 years or to payment of a fine of not
110.8 more than \$40,000, or both:

110.9 (1) engages in prostitution with an individual under the age of 13 years; ~~or~~

110.10 (2) hires or offers or agrees to hire an individual under the age of 13 years to engage
110.11 in sexual penetration or sexual contact; or

110.12 (3) hires or offers or agrees to hire an individual who the actor reasonably believes
110.13 to be under the age of 13 years to engage in sexual penetration or sexual contact.

110.14 (b) Whoever intentionally does any of the following may be sentenced to
110.15 imprisonment for not more than ten years or to payment of a fine of not more than
110.16 \$20,000, or both:

110.17 (1) engages in prostitution with an individual under the age of 16 years but at least
110.18 13 years; ~~or~~

110.19 (2) hires or offers or agrees to hire an individual under the age of 16 years but at
110.20 least 13 years to engage in sexual penetration or sexual contact; or

110.21 (3) hires or offers or agrees to hire an individual who the actor reasonably believes
110.22 to be under the age of 16 years but at least 13 years to engage in sexual penetration or
110.23 sexual contact.

110.24 (c) Whoever intentionally does any of the following may be sentenced to
110.25 imprisonment for not more than five years or to payment of a fine of not more than
110.26 \$10,000, or both:

110.27 (1) engages in prostitution with an individual under the age of 18 years but at least
110.28 16 years;

110.29 (2) hires or offers or agrees to hire an individual under the age of 18 years but at
110.30 least 16 years to engage in sexual penetration or sexual contact; or

110.31 (3) hires or offers or agrees to hire an individual who the actor reasonably believes
110.32 to be under the age of 18 years but at least 16 years to engage in sexual penetration or
110.33 sexual contact.

110.34 **EFFECTIVE DATE.** This section is effective August 1, 2016, and applies to crimes
110.35 committed on or after that date.

111.1 Sec. 16. Laws 2015, chapter 65, article 1, section 18, is amended to read:

111.2 **Sec. 18. AVIAN INFLUENZA AND**
111.3 **AGRICULTURAL EMERGENCY**
111.4 **RESPONSE.**

111.5 Notwithstanding Minnesota Statutes, section
111.6 12.221, subdivision 6, ~~for fiscal years~~
111.7 ~~2016 and 2017~~ through June 30, 2019,
111.8 only, the disaster contingency account,
111.9 under Minnesota Statutes, section 12.221,
111.10 subdivision 6, may be used to pay for
111.11 costs of ~~eligible avian influenza~~ emergency
111.12 response activities for avian influenza and
111.13 any agricultural emergency. By January 15,
111.14 2018, and again by January 15, 2020, the
111.15 commissioner of management and budget
111.16 must report to the chairs and ranking minority
111.17 members of the senate Finance Committee
111.18 and the house of representatives Committee
111.19 on Ways and Means on any amount used
111.20 ~~for avian influenza~~ the purposes authorized
111.21 under this section.

111.22 Sec. 17. **ST. CLOUD STATE UNIVERSITY; SPECIAL LICENSE.**

111.23 Notwithstanding any other law, local ordinance, or charter provision to the contrary,
111.24 the city of St. Cloud may issue an on-sale wine and malt liquor intoxicating liquor license
111.25 to St. Cloud State University. A license authorized by this section may be issued for space
111.26 that is not compact and contiguous, provided that all the space is within the boundaries of
111.27 the campus of St. Cloud State University and is included in the description of the licensed
111.28 premises on the approved license application. The license under this section authorizes
111.29 sales on all days of the week to persons attending events at Herb Brooks National Hockey
111.30 Center, subject to the hours and days of sale restrictions in Minnesota Statutes, and any
111.31 reasonable license conditions or restrictions imposed by the licensing authority. All other
111.32 provisions of Minnesota Statutes not inconsistent with this section apply to the license
111.33 authorized under this section.

112.1 **EFFECTIVE DATE.** This section is effective upon approval by the St. Cloud City
112.2 Council in the manner provided by Minnesota Statutes, section 645.021, subdivisions
112.3 2 and 3.

112.4 Sec. 18. **INDIAFEST; SPECIAL LICENSE.**

112.5 Notwithstanding any other law, local ordinance, or charter provision to the contrary,
112.6 the city of St. Paul may issue a temporary on-sale intoxicating liquor license to the India
112.7 Association of Minnesota, a nonprofit 501(c)(3) organization, for Indiafest on the grounds
112.8 of the State Capitol. The license may authorize only the sale of intoxicating malt liquor
112.9 and wine. All provisions of Minnesota Statutes not inconsistent with this section apply
112.10 to the license authorized by this section.

112.11 **EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City
112.12 Council and compliance with Minnesota Statutes, section 645.021.

112.13 Sec. 19. **MAJOR LEAGUE SOCCER STADIUM; SPECIAL LICENSE.**

112.14 Notwithstanding any other law, local ordinance, or charter provision to the contrary,
112.15 the city of St. Paul may issue an on-sale intoxicating liquor license to the operator of the
112.16 Major League Soccer stadium located in the city of St. Paul or to entities affiliated with it
112.17 for operation of food and beverage concessions at the stadium. The license may authorize
112.18 sales both to persons attending any and all events, and sales in a restaurant, bar, or banquet
112.19 facility at the stadium. The license authorizes sales on all days of the week. All provisions
112.20 of Minnesota Statutes not inconsistent with this section apply to the license under this
112.21 section. The license may be issued for a space that is not compact and contiguous,
112.22 provided that the licensed premises may include only the space within the stadium or on
112.23 stadium premises or grounds, as described in the approved license application.

112.24 **EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City
112.25 Council and compliance with Minnesota Statutes, section 645.021.

112.26 Sec. 20. **JANESVILLE; SPECIAL LICENSE.**

112.27 Notwithstanding any law or ordinance to the contrary, the city of Janesville may
112.28 issue an on-sale intoxicating liquor license for the Prairie Ridge Golf Club that is located
112.29 at 2000 North Main Street and is owned by the city. The provisions of Minnesota Statutes
112.30 not inconsistent with this section apply to the license issued under this section. The city
112.31 of Janesville is deemed the licensee under this section, and the relevant provisions of

113.1 Minnesota Statutes apply to the licensee as if the establishment were a municipal liquor
113.2 store.

113.3 **EFFECTIVE DATE.** This section is effective upon approval by the Janesville City
113.4 Council and compliance with Minnesota Statutes, section 645.021.

113.5 Sec. 21. **CITY OF MINNEAPOLIS; SPECIAL LICENSE.**

113.6 The city of Minneapolis may issue an on-sale intoxicating liquor license to a
113.7 restaurant located at 5000 Hiawatha Avenue, notwithstanding any law or local ordinance
113.8 or charter provision to the contrary.

113.9 **EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis
113.10 City Council and compliance with Minnesota Statutes, section 645.021.

113.11 Sec. 22. **REPEALER.**

113.12 Special Laws 1891, chapter 57, chapter XII, section 5, is repealed.

113.13 **EFFECTIVE DATE.** This section is effective upon approval by the Duluth City
113.14 Council and compliance with Minnesota Statutes, section 645.021.

113.15 **ARTICLE 5**

113.16 **BROADBAND DEVELOPMENT**

113.17 Section 1. **DEPARTMENT OF**
113.18 **EMPLOYMENT AND ECONOMIC**
113.19 **DEVELOPMENT**

\$ -0- \$ 35,000,000

113.20 **Border-To-Border Broadband**

113.21 **Development Program.** (a) \$35,000,000 in
113.22 fiscal year 2017 is from the general fund for
113.23 deposit in the border-to-border broadband
113.24 fund account under Minnesota Statutes,
113.25 section 116J.396, to award grants under
113.26 that section. Of this appropriation, no more
113.27 than \$5,000,000 may be used for grants to
113.28 underserved areas. Of this appropriation, up
113.29 to \$1,000,000 may be used for administrative
113.30 costs, including mapping. This is a onetime
113.31 appropriation.

114.1 (b) \$500,000 may be awarded to projects
114.2 that propose to expand the availability and
114.3 adoption of broadband service to areas
114.4 that contain a significant proportion of
114.5 low-income households. For the purposes
114.6 of this paragraph, "low-income households"
114.7 means households whose household income
114.8 is less than or equal to 200 percent of the
114.9 most recent calculation of the United States
114.10 federal poverty guidelines published by the
114.11 United States Department of Health and
114.12 Human Services, adjusted for family size.

114.13 (c) If grant awards in any area are insufficient
114.14 to fully expend the funds available for
114.15 that area, the commissioner may reallocate
114.16 unexpended funds to other areas.

114.17 Sec. 2. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:

114.18 **116J.394 DEFINITIONS.**

114.19 (a) For the purposes of sections 116J.394 to ~~116J.396~~ 116J.398, the following terms
114.20 have the meanings given them.

114.21 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
114.22 subdivision 1, paragraph (b).

114.23 (c) "Broadband infrastructure" means networks of deployed telecommunications
114.24 equipment and technologies necessary to provide high-speed Internet access and other
114.25 advanced telecommunications services for end users.

114.26 (d) "Commissioner" means the commissioner of employment and economic
114.27 development.

114.28 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the
114.29 final leg connecting the broadband service provider's network to the end-use customer's
114.30 on-premises telecommunications equipment.

114.31 (f) "Middle-mile infrastructure" means broadband infrastructure that links a
114.32 broadband service provider's core network infrastructure to last-mile infrastructure.

114.33 (g) "Political subdivision" means any county, city, town, school district, special
114.34 district or other political subdivision, or public corporation.

115.1 (h) "Underserved areas" means areas of Minnesota in which households or
115.2 businesses lack access to wire-line broadband service at speeds ~~that meet the state~~
115.3 ~~broadband goals of ten to 20~~ at least 100 megabits per second download and five to ten
115.4 at least 20 megabits per second upload.

115.5 (i) "Unserved areas" means areas of Minnesota in which households or businesses
115.6 lack access to wire-line broadband service, as defined in section 116J.39.

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

115.8 Sec. 3. Minnesota Statutes 2014, section 116J.395, subdivision 4, is amended to read:

115.9 Subd. 4. **Application process.** (a) An eligible applicant must submit an application
115.10 to the commissioner on a form prescribed by the commissioner. The commissioner shall
115.11 develop administrative procedures governing the application and grant award process.
115.12 The commissioner shall act as fiscal agent for the grant program and shall be responsible
115.13 for receiving and reviewing grant applications and awarding grants under this section.

115.14 (b) At least 30 days prior to the first day applications may be submitted each fiscal
115.15 year, the commissioner must publish on the department's Web site the specific criteria
115.16 and any quantitative weighting scheme or scoring system the commissioner will use to
115.17 evaluate or rank applications and award grants under subdivision 6.

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

115.19 Sec. 4. Minnesota Statutes 2014, section 116J.395, subdivision 5, is amended to read:

115.20 Subd. 5. **Application contents.** An applicant for a grant under this section shall
115.21 provide the following information on the application:

- 115.22 (1) the location of the project;
- 115.23 (2) the kind and amount of broadband infrastructure to be purchased for the project;
- 115.24 (3) evidence regarding the unserved or underserved nature of the community in
115.25 which the project is to be located;
- 115.26 (4) the number of households passed that will have access to broadband service as a
115.27 result of the project, or whose broadband service will be upgraded as a result of the project;
- 115.28 (5) significant community institutions that will benefit from the proposed project;
- 115.29 (6) evidence of community support for the project;
- 115.30 (7) the total cost of the project;
- 115.31 (8) sources of funding or in-kind contributions for the project that will supplement
115.32 any grant award; ~~and~~

116.1 (9) evidence that no later than six weeks before submission of the application the
116.2 applicant contacted, in writing, all entities providing broadband service in the proposed
116.3 project area to ask for each broadband service provider's plan to upgrade broadband service
116.4 in the project area to speeds that meet or exceed the state's broadband speed goals in section
116.5 237.012, subdivision 1, within the time frame specified in the proposed grant activities;

116.6 (10) the broadband service providers' written responses to the inquiry made under
116.7 clause (9); and

116.8 (11) any additional information requested by the commissioner.

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

116.10 Sec. 5. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
116.11 to read:

116.12 Subd. 5a. **Challenge process.** (a) Within three days of the close of the grant
116.13 application process, the office shall publish on its Web site the proposed geographic
116.14 broadband service area and the proposed broadband service speeds for each application
116.15 submitted.

116.16 (b) An existing broadband service provider in or proximate to the proposed project
116.17 area may, within 30 days of publication of the information under paragraph (a), submit
116.18 in writing to the commissioner a challenge to an application. A challenge must contain
116.19 information demonstrating that:

116.20 (1) the provider currently provides or has begun construction to provide broadband
116.21 service to the proposed project area at speeds equal to or greater than the state speed goal
116.22 contained in section 237.012, subdivision 1; or

116.23 (2) the provider commits to complete construction of broadband infrastructure and
116.24 provide broadband service in the proposed project area at speeds equal to or greater than
116.25 the state speed goal contained in section 237.012, subdivision 1, no later than 18 months
116.26 after the date grant awards are made under this section for the grant cycle under which the
116.27 application was submitted.

116.28 (c) The commissioner must evaluate the information submitted in a provider's
116.29 challenge under this section, and is prohibited from funding a project if the commissioner
116.30 determines that the provider's commitment to provide broadband service that meets the
116.31 requirements of paragraph (b) in the proposed project area is credible.

116.32 (d) If the commissioner denies funding to an applicant as a result of a broadband
116.33 service provider's challenge made under this section, and the broadband service provider
116.34 does not fulfill the provider's commitment to provide broadband service in the project
116.35 area, the commissioner is prohibited from denying funding to an applicant as a result of

117.1 a challenge by the same broadband service provider for the following two grant cycles,
117.2 unless the commissioner determines that the broadband service provider's failure to
117.3 fulfill the provider's commitment was the result of factors beyond the broadband service
117.4 provider's control.

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

117.6 Sec. 6. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
117.7 to read:

117.8 **Subd. 8. Application evaluation report.** By June 30 of each year, the Office of
117.9 Broadband Development shall publish on the Department of Employment and Economic
117.10 Development's Web site and provide to the chairs and ranking minority members of the
117.11 senate and house of representatives committees with primary jurisdiction over broadband
117.12 a list of all applications for grants under this section received during the previous year
117.13 and, for each application:

117.14 (1) the results of any quantitative weighting scheme or scoring system the
117.15 commissioner used to award grants or rank the applications;

117.16 (2) the grant amount requested; and

117.17 (3) the grant amount awarded, if any.

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

117.19 The initial report submission required under this section is due June 30, 2016.

117.20 Sec. 7. **[116J.397] UPDATED BROADBAND DEPLOYMENT DATA AND MAPS.**

117.21 (a) Beginning in 2016 and continuing each year thereafter, the Office of Broadband
117.22 Development shall contract with one or more independent organizations that have
117.23 extensive experience working with Minnesota broadband providers to:

117.24 (1) collect broadband deployment data from Minnesota providers, verify its accuracy
117.25 through on-the-ground testing, and create state and county maps available to the public by
117.26 April 15, 2017, and each April 15 thereafter, showing the availability of broadband service
117.27 at various upload and download speeds throughout Minnesota;

117.28 (2) analyze the deployment data collected to help inform future investments in
117.29 broadband infrastructure; and

117.30 (3) conduct business and residential surveys that measure broadband adoption and
117.31 use in the state.

118.1 (b) Data provided by a broadband provider under this section is nonpublic data
118.2 under section 13.02, subdivision 9. Maps produced under this paragraph are public data
118.3 under section 13.03.

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

118.5 Sec. 8. **[116J.398] BROADBAND PREVAILING WAGE EXEMPTION.**

118.6 Notwithstanding any other law to the contrary, section 116J.871 does not apply
118.7 to a project receiving a grant under section 116J.395 for the construction, installation,
118.8 remodeling, and repair of last-mile infrastructure, as defined under section 116J.394,
118.9 paragraph (e).

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

118.11 Sec. 9. Minnesota Statutes 2014, section 237.012, is amended to read:

118.12 **237.012 BROADBAND GOALS.**

118.13 Subdivision 1. **Universal access and high-speed goal.** It is a state goal that as
118.14 ~~soon as possible, but no later than 2015, all state residents and businesses have access to~~
118.15 ~~high-speed broadband that provides minimum download speeds of ten to 20 megabits per~~
118.16 ~~second and minimum upload speeds of five to ten megabits per second.;~~

118.17 (1) no later than 2022, all Minnesota businesses and homes have access to
118.18 high-speed broadband that provides minimum download speeds of at least 25 megabits
118.19 per second and minimum upload speeds of at least three megabits per second; and

118.20 (2) no later than 2026, all Minnesota businesses and homes have access to at least
118.21 one provider of broadband with download speeds of at least 100 megabits per second and
118.22 upload speeds of at least 20 megabits per second.

118.23 Subd. 2. **State broadband leadership position.** It is a goal of the state that by
118.24 ~~2015~~ 2022 and thereafter, the state be in:

118.25 (1) the top five states of the United States for broadband speed universally accessible
118.26 to residents and businesses;

118.27 (2) the top five states for broadband access; and

118.28 (3) the top 15 when compared to countries globally for broadband penetration.

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

118.30 **ARTICLE 6**

118.31 **ENERGY**

118.32 Section 1. Minnesota Statutes 2014, section 115C.09, subdivision 1, is amended to read:

119.1 Subdivision 1. **Reimbursable costs.** (a) The board shall provide reimbursement to
119.2 eligible applicants for reimbursable costs.

119.3 (b) The following costs are reimbursable for purposes of this chapter:

119.4 (1) corrective action costs incurred by the applicant and documented in a form
119.5 prescribed by the board, ~~except the costs related to the physical removal of a tank.~~
119.6 Corrective action costs incurred by the applicant include costs for physical removal of
119.7 a tank when the physical removal is part of a corrective action, regardless of whether
119.8 the tank is leaking at the time of removal, and the removal is directed or approved by
119.9 the commissioner;

119.10 (2) costs that the responsible person is legally obligated to pay as damages to third
119.11 parties for bodily injury, property damage, or corrective action costs incurred by a third
119.12 party caused by a release where the responsible person's liability for the costs has been
119.13 established by a court order or court-approved settlement; and

119.14 (3) up to 180 days of interest costs associated with the financing of corrective action
119.15 and incurred by the applicant in a written extension of credit or loan that has been signed by
119.16 the applicant and executed after July 1, 2002, provided that the applicant documents that:

119.17 (i) the interest costs are incurred as a result of an extension of credit or loan from a
119.18 financial institution; and

119.19 (ii) the board has not considered the application within the applicable time frame
119.20 specified in subdivision 2a, paragraph (c).

119.21 Interest costs meeting the requirements of this clause are eligible only when they are
119.22 incurred between the date a complete initial application is received by the board, or the
119.23 date a complete supplemental application is received by the board, and the date that the
119.24 board first notifies the applicant of its reimbursement determination. An application is
119.25 complete when the information reasonably required or requested by the board's staff
119.26 from the applicant has been received by the board's staff. Interest costs are not eligible
119.27 for reimbursement to the extent they exceed two percentage points above the adjusted
119.28 prime rate charged by banks, as defined in section 270C.40, subdivision 5, at the time the
119.29 extension of credit or loan was executed.

119.30 (c) A cost for liability to a third party is incurred by the responsible person when an
119.31 order or court-approved settlement is entered that sets forth the specific costs attributed
119.32 to the liability. Except as provided in this paragraph, reimbursement may not be made
119.33 for costs of liability to third parties until all eligible corrective action costs have been
119.34 reimbursed. If a corrective action is expected to continue in operation for more than one
119.35 year after it has been fully constructed or installed, the board may estimate the future
119.36 expense of completing the corrective action and, after subtracting this estimate from the

120.1 total reimbursement available under subdivision 3, reimburse the costs for liability to third
120.2 parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

120.3 Sec. 2. Minnesota Statutes 2014, section 115C.09, subdivision 3, is amended to read:

120.4 Subd. 3. **Reimbursements; subrogation; appropriation.** (a) The board shall
120.5 reimburse an eligible applicant from the fund for 90 percent of the total reimbursable costs
120.6 incurred at the site, except that the board may reimburse an eligible applicant from the
120.7 fund for greater than 90 percent of the total reimbursable costs, if the applicant previously
120.8 qualified for a higher reimbursement rate. For costs associated with a release from a tank
120.9 in transport, the board may reimburse a maximum of \$100,000.

120.10 Not more than ~~\$1,000,000~~ may be reimbursed for costs associated with a single
120.11 release, regardless of the number of persons eligible for reimbursement, and not more than
120.12 \$2,000,000 may be reimbursed for costs associated with a single tank facility release.

120.13 (b) A reimbursement may not be made from the fund under this chapter until the
120.14 board has determined that the costs for which reimbursement is requested were actually
120.15 incurred and were reasonable.

120.16 (c) When an applicant has obtained responsible competitive bids or proposals
120.17 according to rules promulgated under this chapter prior to June 1, 1995, the eligible costs
120.18 for the tasks, procedures, services, materials, equipment, and tests of the low bid or proposal
120.19 are presumed to be reasonable by the board, unless the costs of the low bid or proposal are
120.20 substantially in excess of the average costs charged for similar tasks, procedures, services,
120.21 materials, equipment, and tests in the same geographical area during the same time period.

120.22 (d) When an applicant has obtained a minimum of two responsible competitive bids or
120.23 proposals on forms prescribed by the board and where the rules ~~promulgated~~ adopted under
120.24 this chapter after June 1, 1995, designate maximum costs for specific tasks, procedures,
120.25 services, materials, equipment and tests, the eligible costs of the low bid or proposal are
120.26 deemed reasonable if the costs are at or below the maximums set forth in the rules.

120.27 (e) Costs incurred for change orders executed as prescribed in rules ~~promulgated~~
120.28 adopted under this chapter after June 1, 1995, are presumed reasonable if the costs are
120.29 at or below the maximums set forth in the rules, unless the costs in the change order are
120.30 above those in the original bid or proposal or are unsubstantiated and inconsistent with the
120.31 process and standards required by the rules.

120.32 (f) A reimbursement may not be made from the fund in response to either an initial
120.33 or supplemental application for costs incurred after June 4, 1987, that are payable under
120.34 an applicable insurance policy, except that if the board finds that the applicant has made

121.1 reasonable efforts to collect from an insurer and failed, the board shall reimburse the
121.2 applicant.

121.3 (g) If the board reimburses an applicant for costs for which the applicant has
121.4 insurance coverage, the board is subrogated to the rights of the applicant with respect to
121.5 that insurance coverage, to the extent of the reimbursement by the board. The board may
121.6 request the attorney general to bring an action in district court against the insurer to enforce
121.7 the board's subrogation rights. Acceptance by an applicant of reimbursement constitutes
121.8 an assignment by the applicant to the board of any rights of the applicant with respect to
121.9 any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this
121.10 paragraph, the board may instead request a return of the reimbursement under subdivision
121.11 5 and may employ against the applicant the remedies provided in that subdivision, except
121.12 where the board has knowingly provided reimbursement because the applicant was denied
121.13 coverage by the insurer.

121.14 (h) Money in the fund is appropriated to the board to make reimbursements under
121.15 this chapter. A reimbursement to a state agency must be credited to the appropriation
121.16 account or accounts from which the reimbursed costs were paid.

121.17 (i) The board may reduce the amount of reimbursement to be made under this
121.18 chapter if it finds that the applicant has not complied with a provision of this chapter, a
121.19 rule or order issued under this chapter, or one or more of the following requirements:

121.20 (1) the agency was given notice of the release as required by section 115.061;

121.21 (2) the applicant, to the extent possible, fully cooperated with the agency in
121.22 responding to the release;

121.23 (3) the state rules applicable after December 22, 1993, to operating an underground
121.24 storage tank and appurtenances without leak detection;

121.25 (4) the state rules applicable after December 22, 1998, to operating an underground
121.26 storage tank and appurtenances without corrosion protection or spill and overflow
121.27 protection; and

121.28 (5) the state rule applicable after November 1, 1998, to operating an aboveground
121.29 tank without a dike or other structure that would contain a spill at the aboveground tank site.

121.30 (j) The reimbursement may be reduced as much as 100 percent for failure by
121.31 the applicant to comply with the requirements in paragraph (i), clauses (1) to (5). In
121.32 determining the amount of the reimbursement reduction, the board shall consider:

121.33 (1) the reasonable determination by the agency that the noncompliance poses a
121.34 threat to the environment;

121.35 (2) whether the noncompliance was negligent, knowing, or willful;

121.36 (3) the deterrent effect of the award reduction on other tank owners and operators;

122.1 (4) the amount of reimbursement reduction recommended by the commissioner; and
122.2 (5) the documentation of noncompliance provided by the commissioner.

122.3 (k) An applicant may request that the board issue a multiparty check that includes each
122.4 lender who advanced funds to pay the costs of the corrective action or to each contractor
122.5 or consultant who provided corrective action services. This request must be made by filing
122.6 with the board a document, in a form prescribed by the board, indicating the identity of the
122.7 applicant, the identity of the lender, contractor, or consultant, the dollar amount, and the
122.8 location of the corrective action. The applicant must submit a request for the issuance
122.9 of a multiparty check for each application submitted to the board. Payment under this
122.10 paragraph does not constitute the assignment of the applicant's right to reimbursement
122.11 to the consultant, contractor, or lender. The board has no liability to an applicant for a
122.12 payment issued as a multiparty check that meets the requirements of this paragraph.

122.13 Sec. 3. Minnesota Statutes 2014, section 115C.13, is amended to read:

122.14 **115C.13 REPEALER.**

122.15 Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05,
122.16 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.093, 115C.094, 115C.10, 115C.11,
122.17 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30, ~~2017~~ 2022.

122.18 Sec. 4. Minnesota Statutes 2014, section 216B.16, subdivision 12, is amended to read:

122.19 Subd. 12. **Exemption for small gas utility franchise.** (a) A municipality may file
122.20 with the commission a resolution of its governing body requesting exemption from the
122.21 provisions of this section for a public utility that is under a franchise with the municipality
122.22 to supply natural, manufactured, or mixed gas and that serves 650 or fewer customers in
122.23 the municipality as long as the public utility serves no more than a total of ~~2,000~~ 5,000
122.24 customers.

122.25 (b) The commission shall grant an exemption from this section for that portion of
122.26 a public utility's business that is requested by each municipality it serves. Furthermore,
122.27 the commission shall also grant the public utility an exemption from this section for any
122.28 service provided outside of a municipality's border that is considered by the commission
122.29 to be incidental. The public utility shall file with the commission and the department
122.30 all initial and subsequent changes in rates, tariffs, and contracts for service outside the
122.31 municipality at least 30 days in advance of implementation.

122.32 (c) However, the commission shall require the utility to adopt the commission's
122.33 policies and procedures governing disconnection during cold weather. The utility shall
122.34 annually submit a copy of its municipally approved rates to the commission.

123.1 (d) In all cases covered by this subdivision in which an exemption for service outside
123.2 of a municipality is granted, the commission may initiate an investigation under section
123.3 216B.17, on its own motion or upon complaint from a customer.

123.4 (e) If a municipality files with the commission a resolution of its governing body
123.5 rescinding the request for exemption, the commission shall regulate the public utility's
123.6 business in that municipality under this section.

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

123.8 Sec. 5. **[216B.1647] PROPERTY TAX ADJUSTMENT; COOPERATIVE**
123.9 **ASSOCIATION.**

123.10 A cooperative electric association that has elected to be subject to rate regulation
123.11 under section 216B.026 is eligible to file with the commission for approval an adjustment
123.12 for real and personal property taxes, fees, and permits.

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

123.14 Sec. 6. Minnesota Statutes 2014, section 216B.1691, subdivision 10, is amended to read:

123.15 Subd. 10. **Utility acquisition of resources.** A competitive resource acquisition
123.16 process established by the commission prior to June 1, 2007, shall not apply to a utility
123.17 for the construction, ownership, and operation of generation facilities used to satisfy the
123.18 requirements of this section unless, upon a finding that it is in the public interest, the
123.19 commission issues an order on or after June 1, 2007, that requires compliance by a utility
123.20 with a competitive resource acquisition process. A utility that owns a nuclear generation
123.21 facility and intends to construct, own, or operate facilities under this section shall file with
123.22 the commission on or before March 1, 2008, a renewable energy plan setting forth the
123.23 manner in which the utility proposes to meet the requirements of this section, ~~including~~
123.24 ~~a proposed schedule for purchasing renewable energy from C-BED and non-C-BED~~
123.25 ~~projects.~~ The utility shall update the plan as necessary in its filing under section 216B.2422.
123.26 The commission shall approve the plan unless it determines, after public hearing and
123.27 comment, that the plan is not in the public interest. As part of its determination of public
123.28 interest, the commission shall consider the plan's ~~allocation of projects among C-BED,~~
123.29 ~~non-C-BED, and utility-owned projects,~~ impact on balancing the state's interest in:

- 123.30 (1) promoting the policy of economic development in rural areas through the
123.31 development of renewable energy projects, as expressed in subdivision 9;
123.32 (2) maintaining the reliability of the state's electric power grid; and
123.33 (3) minimizing cost impacts on ratepayers.

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

124.2 Sec. 7. Minnesota Statutes 2014, section 216B.241, subdivision 1c, is amended to read:

124.3 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving
124.4 goals for energy conservation improvement expenditures and shall evaluate an energy
124.5 conservation improvement program on how well it meets the goals set.

124.6 (b) Each individual utility and association shall have an annual energy-savings
124.7 goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the
124.8 commissioner under paragraph (d). The savings goals must be calculated based on the
124.9 most recent three-year weather-normalized average. A utility or association may elect to
124.10 carry forward energy savings in excess of 1.5 percent for a year to the succeeding three
124.11 calendar years, except that savings from electric utility infrastructure projects allowed
124.12 under paragraph (d) may be carried forward for five years. A particular energy savings can
124.13 be used only for one year's goal.

124.14 (c) The commissioner must adopt a filing schedule that is designed to have all
124.15 utilities and associations operating under an energy-savings plan by calendar year 2010.

124.16 (d) In its energy conservation improvement plan filing, a utility or association may
124.17 request the commissioner to adjust its annual energy-savings percentage goal based on
124.18 its historical conservation investment experience, customer class makeup, load growth, a
124.19 conservation potential study, or other factors the commissioner determines warrants an
124.20 adjustment. The commissioner may not approve a plan of a public utility that provides for
124.21 an annual energy-savings goal of less than one percent of gross annual retail energy sales
124.22 from energy conservation improvements.

124.23 A utility or association may include in its energy conservation plan energy savings
124.24 from electric utility infrastructure projects approved by the commission under section
124.25 216B.1636 or waste heat recovery converted into electricity projects that may count as
124.26 energy savings in addition to a minimum energy-savings goal of at least one percent for
124.27 energy conservation improvements. Energy savings from electric utility infrastructure
124.28 projects, as defined in section 216B.1636, may be included in the energy conservation
124.29 plan of a municipal utility or cooperative electric association. Electric utility infrastructure
124.30 projects must result in increased energy efficiency greater than that which would have
124.31 occurred through normal maintenance activity.

124.32 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure
124.33 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the
124.34 energy-savings goal established in this subdivision.

125.1 (f) An association or utility is not required to make energy conservation investments
125.2 to attain the energy-savings goals of this subdivision that are not cost-effective even
125.3 if the investment is necessary to attain the energy-savings goals. For the purpose of
125.4 this paragraph, in determining cost-effectiveness, the commissioner shall consider the
125.5 costs and benefits to ratepayers, the utility, participants, and society. In addition, the
125.6 commissioner shall consider the rate at which an association or municipal utility is
125.7 increasing its energy savings and its expenditures on energy conservation.

125.8 (g) On an annual basis, the commissioner shall produce and make publicly available
125.9 a report on the annual energy savings and estimated carbon dioxide reductions achieved
125.10 by the energy conservation improvement programs for the two most recent years for
125.11 which data is available. The commissioner shall report on program performance both in
125.12 the aggregate and for each entity filing an energy conservation improvement plan for
125.13 approval or review by the commissioner.

125.14 (h) By January 15, 2010, the commissioner shall report to the legislature whether
125.15 the spending requirements under subdivisions 1a and 1b are necessary to achieve the
125.16 energy-savings goals established in this subdivision.

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

125.18 Sec. 8. Minnesota Statutes 2014, section 216B.243, subdivision 8, is amended to read:

125.19 Subd. 8. **Exemptions.** (a) This section does not apply to:

125.20 (1) cogeneration or small power production facilities as defined in the Federal Power
125.21 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
125.22 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
125.23 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
125.24 any case where the commission has determined after being advised by the attorney general
125.25 that its application has been preempted by federal law;

125.26 (2) a high-voltage transmission line proposed primarily to distribute electricity to
125.27 serve the demand of a single customer at a single location, unless the applicant opts to
125.28 request that the commission determine need under this section or section 216B.2425;

125.29 (3) the upgrade to a higher voltage of an existing transmission line that serves the
125.30 demand of a single customer that primarily uses existing rights-of-way, unless the applicant
125.31 opts to request that the commission determine need under this section or section 216B.2425;

125.32 (4) a high-voltage transmission line of one mile or less required to connect a new or
125.33 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

125.34 (5) conversion of the fuel source of an existing electric generating plant to using
125.35 natural gas;

126.1 (6) the modification of an existing electric generating plant to increase efficiency,
126.2 as long as the capacity of the plant is not increased more than ten percent or more than
126.3 100 megawatts, whichever is greater; ~~or~~

126.4 (7) a wind energy conversion system or solar electric generation facility if the system
126.5 or facility is owned and operated by an independent power producer and the electric output
126.6 of the system or facility is not sold to an entity that provides retail service in Minnesota
126.7 or wholesale electric service to another entity in Minnesota other than an entity that is a
126.8 federally recognized regional transmission organization or independent system operator; or

126.9 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision
126.10 2, or a solar energy generating large energy facility, as defined in section 216B.2421,
126.11 subdivision 2, engaging in a repowering project that:

126.12 (i) will not result in the facility exceeding the nameplate capacity under its most
126.13 recent interconnection agreement; or

126.14 (ii) will result in the facility exceeding the nameplate capacity under its most recent
126.15 interconnection agreement, provided that the Midcontinent Independent System Operator
126.16 has provided a signed generator interconnection agreement that reflects the expected
126.17 net power increase.

126.18 (b) For the purpose of this subdivision, "repowering project" means:

126.19 (1) modifying a large wind energy conversion system or a solar energy generating
126.20 large energy facility to increase its efficiency without increasing its nameplate capacity;

126.21 (2) replacing turbines in a large wind energy conversion system without increasing
126.22 the nameplate capacity of the system; or

126.23 (3) increasing the nameplate capacity of a large wind energy conversion system.

126.24 Sec. 9. Minnesota Statutes 2014, section 216C.20, subdivision 3, is amended to read:

126.25 Subd. 3. **Parking ramp.** No enclosed structure or portion of an enclosed structure
126.26 constructed after January 1, 1978, and used primarily as a commercial parking facility for
126.27 three or more motor vehicles shall be heated. Incidental heating resulting from building
126.28 exhaust air passing through a parking facility shall not be prohibited, provided that
126.29 substantially all useful heat has previously been removed from the air. The commissioner
126.30 of commerce may grant an exemption from this subdivision if the commercial parking
126.31 is integrated within a facility that has both public and private uses, the benefits of the
126.32 exemption to taxpayers exceed the costs, and all appropriate energy efficiency measures
126.33 have been considered.

126.34 Sec. 10. Minnesota Statutes 2014, section 216E.03, subdivision 5, is amended to read:

127.1 Subd. 5. **Environmental review.** (a) The commissioner of the Department of
127.2 Commerce shall prepare for the commission an environmental impact statement on each
127.3 proposed large electric generating plant or high-voltage transmission line for which a
127.4 complete application has been submitted. The commissioner shall not consider whether
127.5 or not the project is needed. No other state environmental review documents shall be
127.6 required. The commissioner shall study and evaluate any site or route proposed by an
127.7 applicant and any other site or route the commission deems necessary that was proposed in
127.8 a manner consistent with rules concerning the form, content, and timeliness of proposals
127.9 for alternate sites or routes.

127.10 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is
127.11 a large electric power generating plant and is not proposed by a utility, the commissioner
127.12 must make a finding in the environmental impact statement whether the project is likely to
127.13 result in a net reduction of carbon dioxide emissions, considering both the utility providing
127.14 electric service to the proposed cogeneration facility and any reduction in carbon dioxide
127.15 emissions as a result of increased efficiency from the production of thermal energy on the
127.16 part of the customer operating or owning the proposed cogeneration facility.

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

127.18 Sec. 11. Minnesota Statutes 2014, section 216H.01, is amended by adding a
127.19 subdivision to read:

127.20 Subd. 1a. **Cogeneration facility or combined heat and power facility.**
127.21 "Cogeneration facility" or "combined heat and power facility" means a facility that:

127.22 (1) has the meaning given in United States Code, title 16, section 796, clause (18),
127.23 paragraph (A); and

127.24 (2) meets the applicable operating and efficiency standards contained in Code of
127.25 Federal Regulations, title 18, part 292.205.

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

127.27 Sec. 12. Minnesota Statutes 2014, section 216H.03, subdivision 1, is amended to read:

127.28 Subdivision 1. **Definition; new large energy facility.** For the purpose of this
127.29 section, "new large energy facility" means a large energy facility, as defined in section
127.30 216B.2421, subdivision 2, clause (1), that is not in operation as of January 1, 2007, but
127.31 does not include a facility that (1) uses natural gas as a primary fuel, (2) is a cogeneration
127.32 facility or combined heat and power facility located in the electric service area of a public
127.33 utility, as defined in section 216B.02, subdivision 4, or is designed to provide peaking,

128.1 intermediate, emergency backup, or contingency services, (3) uses a simple cycle or
128.2 combined cycle turbine technology, and (4) is capable of achieving full load operations
128.3 within 45 minutes of startup for a simple cycle facility, or is capable of achieving
128.4 minimum load operations within 185 minutes of startup for a combined cycle facility.

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

128.6 Sec. 13. Minnesota Statutes 2014, section 373.48, subdivision 3, is amended to read:

128.7 Subd. 3. **Joint purchase of energy and acquisition of generation projects;**
128.8 **financing.** (a) A county may enter into agreements under section 471.59 with other
128.9 counties for joint purchase of energy or joint acquisition of interests in projects. A county
128.10 that enters into a multiyear agreement for purchase of energy or acquires an interest in
128.11 a project, ~~including C-BED projects pursuant to section 216B.1612, subdivision 9,~~ may
128.12 finance the estimated cost of the energy to be purchased during the term of the agreement
128.13 or the cost to the county of the interest in the project by the issuance of revenue bonds of
128.14 the county, including clean renewable energy revenue bonds, provided that the annual debt
128.15 service on all bonds issued under this section, together with the amounts to be paid by the
128.16 county in any year for the purchase of energy under agreements entered into under this
128.17 section, must not exceed the estimated revenues of the project.

128.18 (b) An agreement entered into under section 471.59 as provided by this section
128.19 may provide that:

128.20 (1) each county issues bonds to pay their respective shares of the cost of the projects;

128.21 (2) one of the counties issues bonds to pay the full costs of the project and that the
128.22 other participating counties pay any available revenues of the project and pledge the
128.23 revenues to the county that issues the bonds; or

128.24 (3) the joint powers board issues revenue bonds to pay the full costs of the project
128.25 and that the participating counties pay any available revenues of the project under this
128.26 subdivision and pledge the revenues to the joint powers entity for payment of the revenue
128.27 bonds.

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

128.29 Sec. 14. Laws 2001, chapter 130, section 3, is amended to read:

128.30 Sec. 3. **ASSESSMENT.**

128.31 A propane education and research council, established and certified pursuant to
128.32 section 2, may assess propane producers and retail marketers an amount not to exceed ~~one~~
128.33 ~~mill~~ the maximum assessment authorized in United States Code, title 15, section 6405(a),

129.1 per gallon of odorized propane in a manner established by the council in compliance with
 129.2 United States Code, title 15, section 6405, subsections (a) to (c). Propane producers and
 129.3 retail marketers shall be responsible for the amounts assessed.

129.4 Sec. 15. Laws 2014, chapter 198, article 2, section 2, the effective date, is amended to
 129.5 read:

129.6 **EFFECTIVE DATE; APPLICATION.** This section is effective ~~July 1, 2015~~
 129.7 January 1, 2016, and applies to applications for reimbursement on or after that date.

129.8 **EFFECTIVE DATE.** This section is effective retroactively from May 5, 2014.

129.9 Sec. 16. **REPEALER.**

129.10 Minnesota Statutes 2014, sections 216B.1612; and 216C.39, are repealed.

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

129.12 **ARTICLE 7**

129.13 **ECONOMIC DEVELOPMENT**

129.14 Section 1. **APPROPRIATIONS**

129.15 The sums shown in the columns under "Appropriations" are added to or, if shown
 129.16 in parentheses, subtracted from the appropriations in Laws 2015, First Special Session,
 129.17 chapter 1, or other law to the specified agencies. The appropriations are from the general
 129.18 fund, or another named fund, and are available for the fiscal years indicated for each
 129.19 purpose. The figures "2016" and "2017" used in this article mean that the appropriations
 129.20 listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017,
 129.21 respectively. Appropriations for the fiscal year ending June 30, 2016, are effective the day
 129.22 following final enactment. Reductions may be taken in either fiscal year.

129.23		<u>APPROPRIATIONS</u>	
129.24		<u>Available for the Year</u>	
129.25		<u>Ending June 30</u>	
129.26		<u>2016</u>	<u>2017</u>

129.27 Sec. 2. **DEPARTMENT OF EMPLOYMENT**
 129.28 **AND ECONOMIC DEVELOPMENT**

129.29	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>11,721,000</u>
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130.1	<u>Appropriations by Fund</u>		
130.2	<u>General</u>	<u>-0-</u>	<u>7,271,000</u>
130.3	<u>Workforce</u>		
130.4	<u>Development</u>	<u>-0-</u>	<u>4,450,000</u>

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

130.8	<u>Subd. 2. Business and Community</u>		
130.9	<u>Development</u>	<u>-0-</u>	<u>8,021,000</u>

130.10	<u>Appropriations by Fund</u>		
130.11	<u>General</u>	<u>-0-</u>	<u>7,271,000</u>
130.12	<u>Workforce</u>		
130.13	<u>Development</u>	<u>-0-</u>	<u>750,000</u>

130.14 (a) \$9,000,000 in fiscal year 2017 is a
 130.15 onetime reduction in the general fund
 130.16 appropriation for the Minnesota investment
 130.17 fund under Minnesota Statutes, section
 130.18 116J.8731. The base funding for this purpose
 130.19 is \$11,000,000 in fiscal year 2018 and each
 130.20 fiscal year thereafter.

130.21 (b) \$11,500,000 in fiscal year 2017 is a
 130.22 onetime reduction in the general fund
 130.23 appropriation for the Minnesota job creation
 130.24 fund under Minnesota Statutes, section
 130.25 116J.8748. The base funding for this
 130.26 program is \$6,500,000 in fiscal year 2018
 130.27 and each fiscal year thereafter.

130.28 (c) \$2,000,000 in fiscal year 2017 is for the
 130.29 redevelopment program under Minnesota
 130.30 Statutes, section 116J.571. This is a onetime
 130.31 appropriation.

130.32 (d) \$1,220,000 in fiscal year 2017 is for a
 130.33 grant to the Duluth North Shore Sanitary
 130.34 District to retire debt of the district in order
 130.35 to bring the district's monthly wastewater

- 131.1 rates in line with those of similarly situated
131.2 facilities across the state. This is a onetime
131.3 appropriation.
- 131.4 (e) \$300,000 in fiscal year 2017 is from the
131.5 workforce development fund for expansion
131.6 of business assistance services provided by
131.7 business development specialists located in
131.8 the Northwest Region, Northeast Region,
131.9 West Central Region, Southwest Region,
131.10 Southeast Region, and Twin Cities Metro
131.11 Region offices established throughout the
131.12 state. Funds under this section may be used
131.13 to provide services including, but not limited
131.14 to, business start-ups; expansion; location or
131.15 relocation; finance; regulatory and permitting
131.16 assistance; and other services determined
131.17 by the commissioner. The commissioner
131.18 may also use funds under this section to
131.19 increase the number of business development
131.20 specialists in each region of the state,
131.21 increase and expand the services provided
131.22 through each regional office, and publicize
131.23 the services available and provide outreach
131.24 to communities in each region regarding
131.25 services and assistance available through the
131.26 business development specialist program.
131.27 This is a onetime appropriation.
- 131.28 (f) \$50,000 in fiscal year 2017 is from the
131.29 workforce development fund to enhance
131.30 the outreach and public awareness activities
131.31 of the Bureau of Small Business under
131.32 Minnesota Statutes, section 116J.68. This is
131.33 a onetime appropriation.
- 131.34 (g) \$100,000 in fiscal year 2017 is from
131.35 the general fund for an easy-to-understand

132.1 manual to instruct aspiring business owners
132.2 in how to start a child care business. The
132.3 commissioner shall work in consultation
132.4 with relevant state and local agencies
132.5 and affected stakeholders to produce the
132.6 manual. The manual must be made available
132.7 electronically to interested persons. This is a
132.8 onetime appropriation and is available until
132.9 June 30, 2019.

132.10 (h) \$2,500,000 in fiscal year 2017 is for
132.11 grants to initiative foundations to provide
132.12 financing for business startups, expansions,
132.13 and maintenance; and for business ownership
132.14 transition and succession. This is a onetime
132.15 appropriation. Of the amount appropriated:

132.16 (1) \$357,000 is for a grant to the Southwest
132.17 Initiative Foundation;

132.18 (2) \$357,000 is for a grant to the West Central
132.19 Initiative Foundation;

132.20 (3) \$357,000 is for a grant to the Southern
132.21 Minnesota Initiative Foundation;

132.22 (4) \$357,000 is for a grant to the Northwest
132.23 Minnesota Foundation;

132.24 (5) \$357,000 is for a grant to the Initiative
132.25 Foundation;

132.26 (6) \$357,000 is for a grant to the Northland
132.27 Foundation; and

132.28 (7) \$357,000 is for a grant for the Minnesota
132.29 emerging entrepreneur program under
132.30 Minnesota Statutes, chapter 116M. Funds
132.31 available under this clause must be allocated
132.32 as follows:

- 133.1 (i) 50 percent of the funds must be allocated
133.2 for projects in the counties of Dakota,
133.3 Ramsey, and Washington; and
- 133.4 (ii) 50 percent of the funds must be allocated
133.5 for projects in the counties of Anoka, Carver,
133.6 Hennepin, and Scott.
- 133.7 (i) \$600,000 in fiscal year 2017 is for a grant
133.8 to a city of the second class that is designated
133.9 as an economically depressed area by the
133.10 United States Department of Commerce for
133.11 economic development, redevelopment, and
133.12 job creation programs and projects. This is a
133.13 onetime appropriation and is available until
133.14 June 30, 2019.
- 133.15 (j) \$4,500,000 in fiscal year 2017 is
133.16 for a grant to the Minnesota Film and
133.17 TV Board for the film production jobs
133.18 program under Minnesota Statutes, section
133.19 116U.26. This appropriation is in addition
133.20 to the appropriation in Laws 2015, First
133.21 Special Session chapter 1, article 1,
133.22 section 2, subdivision 2. This is a onetime
133.23 appropriation.
- 133.24 (k) \$3,651,000 in fiscal year 2017 is from the
133.25 general fund for a grant to Mille Lacs County
133.26 to develop and operate the Lake Mille Lacs
133.27 area economic relief program established in
133.28 section 45. This is a onetime appropriation.
- 133.29 (l) \$500,000 in fiscal year 2017 is from the
133.30 general fund for grants to local communities
133.31 outside of the metropolitan area as defined
133.32 under Minnesota Statutes, section 473.121,
133.33 subdivision 2, to increase the supply of
133.34 quality child care providers in order to
133.35 support regional economic development.

134.1 Grant recipients must match state funds on a
134.2 dollar-for-dollar basis. Grant funds available
134.3 under this section must be used to implement
134.4 solutions to reduce the child care shortage
134.5 in the state, including but not limited to
134.6 funding for child care business start-up or
134.7 expansion, training, facility modifications
134.8 or improvements required for licensing,
134.9 and assistance with licensing and other
134.10 regulatory requirements. In awarding grants,
134.11 the commissioner must give priority to
134.12 communities in greater Minnesota that have
134.13 documented a shortage of child care providers
134.14 in the area. This is a onetime appropriation
134.15 and is available until June 30, 2019.

134.16 By September 30, 2017, grant recipients must
134.17 report to the commissioner on the outcomes
134.18 of the grant program, including but not
134.19 limited to the number of new providers, the
134.20 number of additional child care provider jobs
134.21 created, the number of additional child care
134.22 slots, and the amount of local funds invested.

134.23 By January 1, 2018, the commissioner must
134.24 report to the standing committees of the
134.25 legislature having jurisdiction over child care
134.26 and economic development on the outcomes
134.27 of the program to date.

134.28 (m) \$100,000 in fiscal year 2017 is from
134.29 the general fund for a grant to the city of
134.30 Madelia to provide match funding for a
134.31 federal Economic Development Agency
134.32 technical assistance grant. This is a onetime
134.33 appropriation.

- 135.1 (n) \$10,000,000 in fiscal year 2017 is for
135.2 deposit in the Minnesota 21st century fund.
135.3 This is a onetime appropriation.
- 135.4 (o) \$400,000 in fiscal year 2017 is from the
135.5 workforce development fund for grants to
135.6 small business development centers under
135.7 Minnesota Statutes, section 116J.68. Funds
135.8 made available under this section may be
135.9 used to match funds under the federal Small
135.10 Business Development Center (SBDC)
135.11 program under United States Code, title 15,
135.12 section 648, provide consulting and technical
135.13 services, or to build additional SBDC
135.14 network capacity to serve entrepreneurs
135.15 and small businesses. The commissioner
135.16 shall allocate funds equally among the nine
135.17 regional centers and lead center. This is a
135.18 onetime appropriation.
- 135.19 (p) \$2,600,000 in fiscal year 2017 is for
135.20 a transfer to the Board of Regents of the
135.21 University of Minnesota for academic and
135.22 applied research through MnDRIVE at the
135.23 Natural Resources Research Institute to
135.24 develop new technologies that enhance the
135.25 long-term viability of the Minnesota mining
135.26 industry. The research must be done in
135.27 consultation with the Mineral Coordinating
135.28 Committee established by Minnesota
135.29 Statutes, section 93.0015. This is a onetime
135.30 transfer.
- 135.31 (q) Of the amount appropriated in fiscal
135.32 year 2017 for the Minnesota Investment
135.33 Fund in Laws 2015, First Special Session
135.34 chapter 1, article 1, section 2, subdivision 2,
135.35 paragraph (a), \$450,000 is for a grant to the

136.1 Lake Superior-Poplar River Water District to
 136.2 acquire interests in real property, engineer,
 136.3 design, permit, and construct infrastructure
 136.4 to transport and treat water from Lake
 136.5 Superior through the Poplar River Valley to
 136.6 serve domestic, irrigation, commercial, stock
 136.7 watering, and industrial water users. This
 136.8 grant does not require a local match. This
 136.9 is a onetime appropriation. This amount is
 136.10 available until June 30, 2019.

136.11 **Subd. 3. Workforce Development** -0- 1,900,000

136.12 This appropriation is from the workforce
 136.13 development fund.

136.14 (a) \$500,000 in fiscal year 2017 is from the
 136.15 workforce development fund for rural career
 136.16 counseling coordinators in the workforce
 136.17 service areas and for the purposes specified
 136.18 in Minnesota Statutes, section 116L.667.

136.19 This appropriation is for increases to existing
 136.20 applicants who were awarded grants in fiscal
 136.21 years 2016 and 2017.

136.22 (b) \$500,000 in fiscal year 2017 is from the
 136.23 workforce development fund for a grant to
 136.24 Occupational Development Corporation, Inc.
 136.25 in the city of Buhl to provide training and
 136.26 employment opportunities for people with
 136.27 disabilities and disadvantaged workers. This
 136.28 is a onetime appropriation.

136.29 (c) \$400,000 in fiscal year 2017 is from
 136.30 the workforce development fund for
 136.31 a grant to Northern Bedrock Historic
 136.32 Preservation Corps for the pathway to the
 136.33 preservation trades program for recruitment
 136.34 of corps members, engagement of technical
 136.35 specialists, development of a certificate

137.1 program, and skill development in historic
 137.2 preservation for youth ages 18 to 25. This is
 137.3 a onetime appropriation.

137.4 (d) \$500,000 in fiscal year 2017 is from the
 137.5 workforce development fund for a grant to
 137.6 the North East Higher Education District to
 137.7 purchase equipment for training programs
 137.8 due to increased demand for job training
 137.9 under the state dislocated worker program.
 137.10 This is a onetime appropriation and is
 137.11 available until June 30, 2018.

137.12 **Subd. 4. Vocational rehabilitation** -0- 1,800,000

137.13 This appropriation is from the workforce
 137.14 development fund.

137.15 (a) \$800,000 in fiscal year 2017 is from
 137.16 the workforce development fund for grants
 137.17 to day training and habilitation providers
 137.18 to provide innovative employment options
 137.19 and to advance community integration for
 137.20 persons with disabilities as required under
 137.21 the Minnesota Olmstead Plan. Eligible
 137.22 day training and habilitation providers are
 137.23 those who certify that they do not possess
 137.24 a certification as provided by section 14(c)
 137.25 of the Fair Labor Standards Act. Of this
 137.26 amount, \$250,000 is for a pilot program
 137.27 for home-based, technology-enhanced
 137.28 monitoring of persons with disabilities. This
 137.29 is a onetime appropriation and is available
 137.30 until June 30, 2018.

137.31 (b) \$1,000,000 in fiscal year 2017 is
 137.32 from the workforce development fund for
 137.33 rate increases to providers of extended
 137.34 employment services for persons with severe

138.1 disabilities under Minnesota Statutes, section
 138.2 268A.15. This is a onetime appropriation.

138.3 Sec. 3. DEPARTMENT OF LABOR AND
 138.4 INDUSTRY

\$ -0- \$ 350,000

138.5 Appropriations by Fund

138.6 General 100,000

138.7 Workforce

138.8 Development 250,000

138.9 (a) \$250,000 in fiscal year 2017 is from
 138.10 the workforce development fund for the
 138.11 apprenticeship program under Minnesota
 138.12 Statutes, chapter 178. This amount is added
 138.13 to the base appropriation for this purpose.

138.14 (b) \$100,000 in fiscal year 2017 is to
 138.15 provide outreach and education concerning
 138.16 requirements under state or federal law
 138.17 governing removal of architectural barriers
 138.18 that limit access to public accommodations
 138.19 by persons with disabilities and resources
 138.20 that are available to comply with
 138.21 those requirements. This is a onetime
 138.22 appropriation.

138.23 Sec. 4. EXPLORE MINNESOTA TOURISM

\$ -0- \$ 1,073,000

138.24 (a) \$300,000 in fiscal year 2017 is for a
 138.25 grant to the Mille Lacs Tourism Council
 138.26 to enhance marketing activities related to
 138.27 tourism promotion in the Mille Lacs Lake
 138.28 area. This is a onetime appropriation.

138.29 (b) \$773,000 in fiscal year 2017 is to
 138.30 establish a pilot project to assist in funding
 138.31 and securing major events benefiting
 138.32 communities throughout the state. The pilot
 138.33 project must measure the economic impact
 138.34 of visitors on state and local economies,

139.1 increased lodging and nonlodging sales taxes
 139.2 in addition to visitor spending, and increased
 139.3 media awareness of the state as an event
 139.4 destination. This is a onetime appropriation.
 139.5 Of this amount, \$100,000 is for a grant to
 139.6 the St. Louis County Historical Society for a
 139.7 project, in collaboration with the Erie Mining
 139.8 history book project team, to research,
 139.9 document, publish, preserve, and exhibit the
 139.10 history of taconite mining in Minnesota.

139.11 Sec. 5. HOUSING FINANCE AGENCY \$ -0- \$ 1,750,000

139.12 (a) \$500,000 in fiscal year 2017 is to establish
 139.13 a grant program within the housing trust fund
 139.14 for the exploited families rental assistance
 139.15 program. This is a onetime appropriation and
 139.16 is available until June 30, 2019.

139.17 (b) \$500,000 in fiscal year 2017 is for a
 139.18 competitive grant program to fund a housing
 139.19 project or projects in a community or
 139.20 communities: (1) that have low housing
 139.21 vacancy rates; and (2) that have an education
 139.22 and training center for jobs in agriculture,
 139.23 farm business management, health care
 139.24 fields, or other fields with anticipated
 139.25 significant job growth potential. A grant or
 139.26 grants must be no more than 50 percent of
 139.27 the total development costs for the project.
 139.28 Funds for a grant or grants made in this
 139.29 section must be to a housing project or
 139.30 projects that have financial and in-kind
 139.31 contributions from nonagency sources
 139.32 that when combined with a grant under
 139.33 this section are sufficient to complete the
 139.34 housing project. Funds must be used to
 139.35 create new housing units either through

140.1 new construction or through acquisition and
 140.2 rehabilitation of a building or buildings not
 140.3 currently used for housing. If funds remain
 140.4 uncommitted at the end of fiscal year 2017,
 140.5 the agency may transfer the uncommitted
 140.6 funds to the housing development fund and
 140.7 use the funds for the economic development
 140.8 and housing challenge program under
 140.9 Minnesota Statutes, section 462A.33. This is
 140.10 a onetime appropriation.

140.11 (c) \$750,000 in fiscal year 2017 is for the
 140.12 Workforce and Affordable Homeownership
 140.13 Development Program under Minnesota
 140.14 Statutes, section 462A.38. This is a onetime
 140.15 appropriation and is available until June 30,
 140.16 2019.

140.17	Sec. 6. <u>COMMERCE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>1,332,000</u>
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140.18 (a) \$832,000 in fiscal year 2017 is for energy
 140.19 regulation and planning unit staff.

140.20 (b) \$500,000 in fiscal year 2017 is for
 140.21 additional actuarial work to prepare for
 140.22 implementation of principle-based reserves.
 140.23 This appropriation is contingent on
 140.24 enactment of 2016 HF No. 3384. The base
 140.25 appropriation for this purpose is \$412,000.

140.26	Sec. 7. <u>PUBLIC UTILITIES COMMISSION</u>	<u>\$</u>	<u>225,000</u>	<u>\$</u>	<u>577,000</u>
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140.27 The amounts appropriated are in addition
 140.28 to those appropriated in Laws 2015, First
 140.29 Special Session chapter 1. The base
 140.30 amount for fiscal year 2018 and thereafter
 140.31 is \$514,000.

140.32 Sec. 8. Laws 2014, chapter 312, article 2, section 14, is amended to read:

141.1 **Sec. 14. ASSIGNED RISK TRANSFER.**

141.2 (a) By June 30, 2015, if the commissioner of commerce determines on the basis of
141.3 an audit that there is an excess surplus in the assigned risk plan created under Minnesota
141.4 Statutes, section 79.252, the commissioner of management and budget shall transfer
141.5 the amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This
141.6 transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision
141.7 1, paragraph (a), clause (1). This is a onetime transfer.

141.8 (b) By June 30, 2015, and each year thereafter, if the commissioner of commerce
141.9 determines on the basis of an audit that there is an excess surplus in the assigned risk plan
141.10 created under Minnesota Statutes, section 79.252, the commissioner of management and
141.11 budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each
141.12 year, to the Minnesota minerals 21st century fund under Minnesota Statutes, section
141.13 116J.423. This transfer occurs prior to any transfer under Minnesota Statutes, section
141.14 79.251, subdivision 1, paragraph (a), clause (1), but after the transfer authorized in
141.15 paragraph (a). The total amount authorized for all transfers under this paragraph must not
141.16 exceed \$24,100,000. This paragraph expires the day following the transfer in which the
141.17 total amount transferred under this paragraph to the Minnesota minerals 21st century
141.18 fund equals \$24,100,000.

141.19 (c) By June 30, 2015, if the commissioner of commerce determines on the basis of
141.20 an audit that there is an excess surplus in the assigned risk plan created under Minnesota
141.21 Statutes, section 79.252, the commissioner of management and budget shall transfer the
141.22 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
141.23 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
141.24 paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If
141.25 a transfer occurs under this paragraph, the amount transferred is appropriated from the
141.26 general fund in fiscal year 2015 to the commissioner of labor and industry for the purposes
141.27 of section 15. Both the transfer and appropriation under this paragraph are onetime.

141.28 (d) By June 30, 2016, if the commissioner of commerce determines on the basis of
141.29 an audit that there is an excess surplus in the assigned risk plan created under Minnesota
141.30 Statutes, section 79.252, the commissioner of management and budget shall transfer the
141.31 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
141.32 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
141.33 paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If
141.34 a transfer occurs under this paragraph, the amount transferred is appropriated from the
141.35 general fund in fiscal year 2016 to the commissioner of labor and industry for the purposes
141.36 of section 15. Both the transfer and appropriation under this paragraph are onetime.

142.1 (e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner
142.2 of management and budget shall transfer to the ~~assigned risk plan under Minnesota~~
142.3 ~~Statutes, section 79.252~~ general fund, any unencumbered or unexpended balance of the
142.4 appropriations under paragraphs (c) and (d) remaining on June 30, ~~2017~~ 2016, or the date
142.5 the commissioner of commerce determines that an excess surplus in the assigned risk plan
142.6 does not exist, whichever occurs earlier.

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

142.8 Sec. 9. Laws 2014, chapter 312, article 2, section 15, is amended to read:

142.9 Sec. 15. **WORKERS' COMPENSATION SYSTEM REFORM; USE OF**
142.10 **FUNDS.**

142.11 (a) The appropriations under section 14 to the commissioner of labor and industry
142.12 are for reform of the workers' compensation system. Funds appropriated under section
142.13 14, paragraphs (c) and (d), may be expended by the commissioner only after the advisory
142.14 council on workers' compensation created under Minnesota Statutes, section 175.007, has
142.15 approved a new system including, but not limited to: a Medicare-based diagnosis-related
142.16 group (MS-DRG) or similar system for payment of workers' compensation inpatient
142.17 hospital services. Of the amount appropriated under section 14, paragraphs (c) and (d), up
142.18 to \$100,000 may be used by the commissioner to develop and implement the new system
142.19 approved by the advisory council on workers' compensation.

142.20 (b) Funds available for expenditure under paragraph (a) may be used by the
142.21 commissioner for reimbursement of expenditures that are reasonable and necessary to
142.22 defray the costs of the implementation by hospitals, insurers, and self-insured employers
142.23 of the new system including, but not limited to: a Medicare-based diagnosis-related group
142.24 (MS-DRG) or similar system for payment of workers' compensation inpatient hospital
142.25 services, litigation expense reform, worker safety training, administrative costs, or other
142.26 related system reform.

142.27 (c) For the purposes of this section, reasonable and necessary system reform and
142.28 implementation costs include, but are not limited to:

142.29 (1) the cost of analyzing data to determine the anticipated costs and savings of
142.30 implementing the new system;

142.31 (2) the cost of analyzing system or organizational changes necessary for
142.32 implementation;

142.33 (3) the cost of determining how an organization would implement group or other
142.34 software;

143.1 (4) the cost of upgrading existing software or purchasing new software and other
143.2 technology upgrades needed for implementation;

143.3 (5) the cost of educating and training staff about the new system as applied to
143.4 workers' compensation; and

143.5 (6) the cost of integrating the new system with electronic billing and remittance
143.6 systems.

143.7 (d) This section expires June 30, 2016.

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

143.9 Sec. 10. Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 3,
143.10 is amended to read:

143.11 Subd. 3. **Workforce Development**

	Appropriations by Fund	
143.12		
143.13	General	2,189,000 1,789,000
143.14	Workforce	
143.15	Development	17,567,000 16,767,000

143.16 (a) \$1,039,000 each year from the general
143.17 fund and \$3,104,000 each year from the
143.18 workforce development fund are for the adult
143.19 workforce development competitive grant
143.20 program. Of this amount, up to five percent
143.21 is for administration and monitoring of the
143.22 adult workforce development competitive
143.23 grant program. All grant awards shall be
143.24 for two consecutive years. Grants shall be
143.25 awarded in the first year.

143.26 (b) \$4,050,000 each year is from the
143.27 workforce development fund for the
143.28 Minnesota youth program under Minnesota
143.29 Statutes, sections 116L.56 and 116L.561, to
143.30 provide employment and career advising to
143.31 youth, including career guidance in secondary
143.32 schools, to address the youth career advising
143.33 deficiency, to carry out activities outlined
143.34 in Minnesota Statutes, section 116L.561,

144.1 to provide support services, and to provide
144.2 work experience to youth in the workforce
144.3 service areas. The funds in this paragraph
144.4 may be used for expansion of the pilot
144.5 program combining career and higher
144.6 education advising in Laws 2013, chapter 85,
144.7 article 3, section 27. Activities in workforce
144.8 services areas under this paragraph may
144.9 serve all youth up to age 24.

144.10 (c) \$1,000,000 each year is from the
144.11 workforce development fund for the
144.12 youthbuild program under Minnesota
144.13 Statutes, sections 116L.361 to 116L.366.

144.14 (d) \$450,000 each year is from the workforce
144.15 development fund for a grant to Minnesota
144.16 Diversified Industries, Inc., to provide
144.17 progressive development and employment
144.18 opportunities for people with disabilities.

144.19 (e) \$3,348,000 each year is from the
144.20 workforce development fund for the "Youth
144.21 at Work" youth workforce development
144.22 competitive grant program. Of this amount,
144.23 up to five percent is for administration
144.24 and monitoring of the youth workforce
144.25 development competitive grant program. All
144.26 grant awards shall be for two consecutive
144.27 years. Grants shall be awarded in the first
144.28 year.

144.29 (f) \$500,000 each year is from the workforce
144.30 development fund for the Opportunities
144.31 Industrialization Center programs.

144.32 (g) \$750,000 each year is from the workforce
144.33 development fund for a grant to the
144.34 Minnesota Alliance of Boys and Girls
144.35 Clubs to administer a statewide project

145.1 of youth jobs skills development. This
145.2 project, which may have career guidance
145.3 components, including health and life skills,
145.4 is to encourage, train, and assist youth in
145.5 job-seeking skills, workplace orientation,
145.6 and job-site knowledge through coaching.
145.7 This grant requires a 25 percent match from
145.8 nonstate resources.

145.9 (h) \$250,000 the first year and \$250,000 the
145.10 second year are for pilot programs in the
145.11 workforce service areas to combine career
145.12 and higher education advising.

145.13 (i) \$215,000 each year is from the workforce
145.14 development fund for a grant to Big
145.15 Brothers, Big Sisters of the Greater Twin
145.16 Cities for workforce readiness, employment
145.17 exploration, and skills development for
145.18 youth ages 12 to 21. The grant must serve
145.19 youth in the Twin Cities, Central Minnesota
145.20 and Southern Minnesota Big Brothers, Big
145.21 Sisters chapters.

145.22 (j) \$900,000 in fiscal year 2016 and
145.23 \$1,100,000 in fiscal year 2017 are from the
145.24 workforce development fund for a grant to the
145.25 Minnesota High Tech Association to support
145.26 SciTechsperience, a program that supports
145.27 science, technology, engineering, and math
145.28 (STEM) internship opportunities for two-
145.29 and four-year college students in their field
145.30 of study. The internship opportunities
145.31 must match students with paid internships
145.32 within STEM disciplines at small, for-profit
145.33 companies located in the seven-county
145.34 metropolitan area, having fewer than 150
145.35 total employees; or at small or medium,

146.1 for-profit companies located outside of the
146.2 seven-county metropolitan area, having
146.3 fewer than 250 total employees. At least 200
146.4 students must be matched in the first year
146.5 and at least 250 students must be matched in
146.6 the second year. Selected hiring companies
146.7 shall receive from the grant 50 percent of the
146.8 wages paid to the intern, capped at \$2,500
146.9 per intern. The program must work toward
146.10 increasing the participation among women or
146.11 other underserved populations.

146.12 (k) \$50,000 each year is from the workforce
146.13 development fund for a grant to the St. Cloud
146.14 ~~Area Somali Salvation~~ Youth Organization
146.15 for youth development and crime prevention
146.16 activities. Grant funds may be used to
146.17 train and place mentors in elementary and
146.18 secondary schools; for athletic, social,
146.19 and other activities to foster leadership
146.20 development; to provide a safe place for
146.21 participating youth to gather after school, on
146.22 weekends, and on holidays; and activities to
146.23 improve the organizational and job readiness
146.24 skills of participating youth. This is a
146.25 onetime appropriation and is available until
146.26 June 30, 2019. Funds appropriated the first
146.27 year are available for use in the second year
146.28 of the biennium.

146.29 (l) \$500,000 each year is for rural career
146.30 counseling coordinator positions in the
146.31 workforce service areas and for the purposes
146.32 specified in Minnesota Statutes, section
146.33 116L.667. The commissioner, in consultation
146.34 with local workforce investment boards and
146.35 local elected officials in each of the service
146.36 areas receiving funds, shall develop a method

147.1 of distributing funds to provide equitable
147.2 services across workforce service areas.

147.3 (m) \$400,000 in fiscal year 2016 is for a grant
147.4 to YWCA Saint Paul for training and job
147.5 placement assistance, including commercial
147.6 driver's license training, through the job
147.7 placement and retention program. This is a
147.8 onetime appropriation.

147.9 (n) \$800,000 in fiscal year 2016 is from
147.10 the workforce development fund for
147.11 the customized training program for
147.12 manufacturing industries under article 2,
147.13 section 24. This is a onetime appropriation
147.14 and is available in either year of the
147.15 biennium. Of this amount:

147.16 (1) \$350,000 is for a grant to Central Lakes
147.17 College for the purposes of this paragraph;

147.18 (2) \$250,000 is for Minnesota West
147.19 Community and Technical College for the
147.20 purposes of this paragraph; and

147.21 (3) \$200,000 is for South Central College for
147.22 the purposes of this paragraph.

147.23 (o) \$500,000 each year is from the workforce
147.24 development fund for a grant to Resource,
147.25 Inc. to provide low-income individuals
147.26 career education and job skills training that
147.27 are fully integrated with chemical and mental
147.28 health services.

147.29 (p) \$200,000 in fiscal year 2016 and \$200,000
147.30 in fiscal year 2017 are from the workforce
147.31 development fund for performance grants
147.32 under Minnesota Statutes, section 116J.8747,
147.33 to Twin Cities RISE! to provide training to

148.1 hard-to-train individuals. This is a onetime
148.2 appropriation.

148.3 (q) \$200,000 in fiscal year 2016 is from
148.4 the workforce development fund for the
148.5 foreign-trained health care professionals
148.6 grant program modeled after the pilot
148.7 program conducted under Laws 2006,
148.8 chapter 282, article 11, section 2, subdivision
148.9 12, to encourage state licensure of
148.10 foreign-trained health care professionals,
148.11 including: physicians, with preference given
148.12 to primary care physicians who commit
148.13 to practicing for at least five years after
148.14 licensure in underserved areas of the state;
148.15 nurses; dentists; pharmacists; mental health
148.16 professionals; and other allied health care
148.17 professionals. The commissioner must
148.18 collaborate with health-related licensing
148.19 boards and Minnesota workforce centers to
148.20 award grants to foreign-trained health care
148.21 professionals sufficient to cover the actual
148.22 costs of taking a course to prepare health
148.23 care professionals for required licensing
148.24 examinations and the fee for the state
148.25 licensing examinations. When awarding
148.26 grants, the commissioner must consider the
148.27 following factors:

148.28 (1) whether the recipient's training involves
148.29 a medical specialty that is in high demand in
148.30 one or more communities in the state;

148.31 (2) whether the recipient commits to
148.32 practicing in a designated rural area or an
148.33 underserved urban community, as defined in
148.34 Minnesota Statutes, section 144.1501;

149.1 (3) whether the recipient's language skills
 149.2 provide an opportunity for needed health care
 149.3 access for underserved Minnesotans; and
 149.4 (4) any additional criteria established by the
 149.5 commissioner.

149.6 This is a onetime appropriation and is
 149.7 available until June 30, 2019.

149.8 Sec. 11. Laws 2015, First Special Session chapter 1, article 1, section 6, is amended to
 149.9 read:

149.10	Sec. 6. BUREAU OF MEDIATION			<u>2,234,000</u>
149.11	SERVICES	\$	2,208,000	\$
				<u>2,622,000</u>

149.12 (a) \$68,000 each year is for grants to area
 149.13 labor management committees. Grants may
 149.14 be awarded for a 12-month period beginning
 149.15 July 1 each year. Any unencumbered balance
 149.16 remaining at the end of the first year does not
 149.17 cancel but is available for the second year.

149.18 (b) \$125,000 each year is for purposes of the
 149.19 Public Employment Relations Board under
 149.20 Minnesota Statutes, section 179A.041.

149.21 (c) \$256,000 each year is in fiscal year
 149.22 2016 and \$394,000 in fiscal year 2017 are
 149.23 for the Office of Collaboration and Dispute
 149.24 Resolution under Minnesota Statutes, section
 149.25 179.90. The base appropriation for this
 149.26 purpose is \$394,000 in fiscal year 2018 and
 149.27 \$394,000 in fiscal year 2019. Of this amount,
 149.28 \$160,000 each year is for grants under
 149.29 Minnesota Statutes, section 179.91, and
 149.30 \$96,000 each year is for intergovernmental
 149.31 and public policy collaboration and operation
 149.32 of the office.

150.1 (d) \$250,000 is to complete the Case
150.2 Management System-Database Project Phase
150.3 II. This is a onetime appropriation.

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

150.5 Sec. 12. Minnesota Statutes 2014, section 61A.24, is amended by adding a subdivision
150.6 to read:

150.7 Subd. 12b. **Mortality table; exception.** Notwithstanding subdivisions 12, 12a, or
150.8 any other law to the contrary, a company may use the Commissioners 2017 Standard
150.9 Ordinary Mortality Table in determining the minimum nonforfeiture standard for policies
150.10 issued on or after January 1, 2017.

150.11 Sec. 13. Minnesota Statutes 2014, section 61A.25, is amended by adding a subdivision
150.12 to read:

150.13 Subd. 10. **Mortality table; exception.** Notwithstanding anything in this section,
150.14 or any other law to the contrary, a company may use the Commissioners 2017 Standard
150.15 Ordinary Mortality Table in determining the minimum valuation standard for policies
150.16 issued on or after January 1, 2017.

150.17 Sec. 14. Minnesota Statutes 2014, section 116J.423, is amended to read:

150.18 **116J.423 MINNESOTA MINERALS 21ST CENTURY FUND.**

150.19 Subdivision 1. **Created.** The Minnesota ~~minerals~~ 21st century fund is created
150.20 as a separate account in the treasury. Money in the account is appropriated to the
150.21 commissioner of employment and economic development for the purposes of this section.
150.22 All money earned by the account, loan repayments of principal and interest, and earnings
150.23 on investments must be credited to the account. For the purpose of this section, "fund"
150.24 means the Minnesota ~~minerals~~ 21st century fund. The commissioner shall operate the
150.25 account as a revolving account.

150.26 Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans
150.27 or equity investments in mineral, steel, or ~~taconite~~ any other industry processing facilities,
150.28 ~~steel production facilities, facilities for the manufacturing of renewable energy products,~~
150.29 ~~or facilities for the manufacturing of biobased or biomass products,~~ manufacturing, or
150.30 technology project that would enhance the economic diversification and that are is located
150.31 within the taconite relief tax area as defined under section 273.134. The commissioner
150.32 must, prior to making any loans or equity investments and after consultation with industry

151.1 and public officials, develop a strategy for making loans and equity investments that
151.2 assists the ~~Minnesota mineral industry in becoming globally competitive~~ taconite relief
151.3 area in retaining and enhancing its economic competitiveness. Money in the fund may
151.4 also be used to pay for the costs of carrying out the commissioner's due diligence duties
151.5 under this section.

151.6 Subd. 2a. **Grants authorized.** Notwithstanding subdivision 2, the commissioner
151.7 may use money in the fund to make grants to a municipality or county, or to a county
151.8 regional rail authority as appropriate, for public infrastructure needed to support an
151.9 eligible project under this section. Grant money may be used by the municipality, county,
151.10 or regional rail authority to acquire right-of-way and mitigate loss of wetlands and runoff
151.11 of storm water; to predesign, design, construct, and equip roads and rail lines; and, in
151.12 cooperation with municipal utilities, to predesign, design, construct, and equip natural
151.13 gas pipelines, electric infrastructure, water supply systems, and wastewater collection and
151.14 treatment systems. Grants made under this subdivision are available until expended.

151.15 Subd. 3. **Requirements prior to committing funds.** The commissioner, prior to
151.16 making a commitment for a loan or equity investment must, at a minimum, conduct due
151.17 diligence research regarding the proposed loan or equity investment, including contracting
151.18 with professionals as needed to assist in the due diligence.

151.19 Subd. 4. **Requirements for fund disbursements.** The commissioner may make
151.20 conditional commitments for loans or equity investments but disbursements of funds
151.21 pursuant to a commitment may not be made until commitments for the remainder of a
151.22 project's funding are made that are satisfactory to the commissioner and disbursements
151.23 made from the other commitments sufficient to protect the interests of the state in its
151.24 loan or investment.

151.25 Subd. 5. **Company contribution.** The commissioner may provide loans or equity
151.26 investments that match, in a proportion determined by the commissioner, an investment
151.27 made by the owner of a facility.

151.28 Sec. 15. Minnesota Statutes 2014, section 116J.424, is amended to read:

151.29 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**
151.30 **CONTRIBUTION.**

151.31 The commissioner of the Iron Range Resources and Rehabilitation Board with
151.32 approval by the board, ~~shall~~ may provide an equal match for any loan or equity investment
151.33 made for a ~~facility~~ project located in the tax relief area defined in section 273.134,
151.34 paragraph (b), by the Minnesota ~~minerals~~ 21st century fund created by section 116J.423.
151.35 The match may be in the form of a loan or equity investment, notwithstanding whether

152.1 the fund makes a loan or equity investment. The state shall not acquire an equity interest
152.2 because of an equity investment or loan by the board and the board at its sole discretion
152.3 shall decide what interest it acquires in a project. The commissioner of employment and
152.4 economic development may require a commitment from the board to make the match
152.5 prior to disbursing money from the fund.

152.6 Sec. 16. Minnesota Statutes 2014, section 116J.431, subdivision 1, is amended to read:

152.7 Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall
152.8 make grants to counties or cities to provide up to 50 percent of the capital costs of public
152.9 infrastructure necessary for an eligible economic development project. The county or city
152.10 receiving a grant must provide for the remainder of the costs of the project, either in cash
152.11 or in kind. In-kind contributions may include the value of site preparation other than the
152.12 public infrastructure needed for the project.

152.13 (b) The purpose of the grants made under this section is to keep or enhance jobs in
152.14 the area, increase the tax base, or to expand or create new economic development.

152.15 (c) In awarding grants under this section, the commissioner must adhere to the
152.16 criteria under subdivision 4.

152.17 (d) If the commissioner awards a grant for less than 50 percent of the project, the
152.18 commissioner shall provide the applicant and the chairs and ranking minority members
152.19 of the senate and house of representatives committees with jurisdiction over economic
152.20 development finance a written explanation of the reason less than 50 percent of the capital
152.21 costs were awarded in the grant.

152.22 Sec. 17. Minnesota Statutes 2014, section 116J.431, subdivision 2, is amended to read:

152.23 Subd. 2. **Eligible projects.** An economic development project for which a county or
152.24 city may be eligible to receive a grant under this section includes:

152.25 (1) manufacturing;

152.26 (2) technology;

152.27 (3) warehousing and distribution;

152.28 (4) research and development;

152.29 (5) agricultural processing, defined as transforming, packaging, sorting, or grading
152.30 livestock or livestock products into goods that are used for intermediate or final
152.31 consumption, including goods for nonfood use; or

152.32 (6) industrial park development that would be used by any other business listed in
152.33 this subdivision even if no business has committed to locate in the industrial park at the
152.34 time the grant application is made.

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

153.2 Sec. 18. Minnesota Statutes 2014, section 116J.431, subdivision 4, is amended to read:

153.3 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures
153.4 for soliciting and reviewing applications for grants under this section. At a minimum, a
153.5 county or city must include in its application a resolution of the county or city council
153.6 certifying that the required local match is available. The commissioner must evaluate
153.7 complete applications for eligible projects using the following criteria:

153.8 (1) the project is an eligible project as defined under subdivision 2;

153.9 (2) the project ~~will~~ is expected to result in or will attract substantial public and
153.10 private capital investment and provide substantial economic benefit to the county or city in
153.11 which the project would be located;

153.12 (3) the project is not relocating substantially the same operation from another
153.13 location in the state, unless the commissioner determines the project cannot be reasonably
153.14 accommodated within the county or city in which the business is currently located, or the
153.15 business would otherwise relocate to another state; and

153.16 (4) the project is expected to or will create or ~~maintain~~ retain full-time jobs.

153.17 (b) The determination of whether to make a grant for a site is within the discretion of
153.18 the commissioner, subject to this section. The commissioner's decisions and application of
153.19 the ~~priorities~~ criteria are not subject to judicial review, except for abuse of discretion.

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

153.21 Sec. 19. Minnesota Statutes 2014, section 116J.431, subdivision 6, is amended to read:

153.22 Subd. 6. **Maximum grant amount.** A county or city may receive no more than
153.23 ~~\$1,000,000~~ \$2,000,000 in two years for one or more projects.

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

153.25 Sec. 20. Minnesota Statutes 2014, section 116J.68, is amended to read:

153.26 **116J.68 BUREAU OF SMALL BUSINESS.**

153.27 Subdivision 1. **Generally.** The Bureau of Small Business within the business
153.28 assistance center shall serve as a clearinghouse, technical assistance center, and referral
153.29 service for information and other assistance needed by small businesses including small
153.30 targeted group businesses and small businesses located in an economically disadvantaged
153.31 area.

153.32 Subd. 2. **Duties.** The bureau shall:

154.1 (1) provide information and assistance with respect to all aspects of business
154.2 planning, business finance, and business management related to the start-up, operation, or
154.3 expansion of a small business in Minnesota;

154.4 (2) refer persons interested in the start-up, operation, or expansion of a small
154.5 business in Minnesota to assistance programs sponsored by federal agencies, state
154.6 agencies, educational institutions, chambers of commerce, civic organizations, community
154.7 development groups, private industry associations, and other organizations;

154.8 (3) plan, develop, and implement a master file of information on small business
154.9 assistance programs of federal, state, and local governments, and other public and private
154.10 organizations so as to provide comprehensive, timely information to the bureau's clients;

154.11 (4) employ staff with adequate and appropriate skills and education and training for
154.12 the delivery of information and assistance;

154.13 (5) seek out and utilize, to the extent practicable, contributed expertise and services
154.14 of federal, state, and local governments, educational institutions, and other public and
154.15 private organizations;

154.16 (6) maintain a close and continued relationship with the director of the procurement
154.17 program within the Department of Administration so as to facilitate the department's
154.18 duties and responsibilities under sections 16C.16 to 16C.19 relating to the small targeted
154.19 group business and economically disadvantaged business program of the state;

154.20 (7) develop an information system which will enable the commissioner and other
154.21 state agencies to efficiently store, retrieve, analyze, and exchange data regarding small
154.22 business development and growth in the state. All executive branch agencies of state
154.23 government and the secretary of state shall to the extent practicable, assist the bureau in
154.24 the development and implementation of the information system;

154.25 (8) establish and maintain a toll-free telephone number, e-mail account, and other
154.26 electronic contact mediums determined by the commissioner so that all small business
154.27 persons anywhere in the state ~~can call~~ may contact the bureau office for assistance.

154.28 An outreach program shall be established to make the existence of the bureau and the
154.29 assistance and services the bureau may provide to small businesses well known to its
154.30 potential clientele throughout the state. If the small business person requires a referral to
154.31 another provider the bureau may use the business assistance referral system established by
154.32 the Minnesota Project Outreach Corporation;

154.33 (9) conduct research and provide data as required by the state legislature;

154.34 (10) develop and publish material on all aspects of the start-up, operation, or
154.35 expansion of a small business in Minnesota;

155.1 (11) collect and disseminate information on state procurement opportunities,
155.2 including information on the procurement process;

155.3 (12) develop a public awareness program ~~through the use of~~ regarding state
155.4 assistance programs for small businesses, including those programs specifically for
155.5 socially disadvantaged small business persons. The commissioner may utilize print and
155.6 electronic newsletters, personal contacts, and advertising devices as defined in section
155.7 173.02, subdivision 16, social media, other electronic and print news media advertising
155.8 ~~about state assistance programs for small businesses, including those programs specifically~~
155.9 ~~for socially disadvantaged small business persons, and any other means determined by~~
155.10 the commissioner;

155.11 (13) enter into agreements with the federal government and other public and private
155.12 entities to serve as the statewide coordinator or host agency for the federal small business
155.13 development center program under United States Code, title 15, section 648; and

155.14 (14) assist providers in the evaluation of their programs and the assessment of
155.15 their service area needs. The bureau may establish model evaluation techniques and
155.16 performance standards for providers to use.

155.17 Sec. 21. Minnesota Statutes 2014, section 116J.8737, subdivision 3, is amended to read:

155.18 Subd. 3. **Certification of qualified investors.** (a) Investors may apply to the
155.19 commissioner for certification as a qualified investor for a taxable year. The application
155.20 must be in the form and be made under the procedures specified by the commissioner,
155.21 accompanied by an application fee of \$350. Application fees are deposited in the small
155.22 business investment tax credit administration account in the special revenue fund. The
155.23 application for certification for 2010 must be made available on the department's Web
155.24 site by August 1, 2010. Applications for subsequent years' certification must be made
155.25 available on the department's Web site by November 1 of the preceding year.

155.26 (b) Within 30 days of receiving an application for certification under this subdivision,
155.27 the commissioner must either certify the investor as satisfying the conditions required
155.28 of a qualified investor, request additional information from the investor, or reject the
155.29 application for certification. If the commissioner requests additional information from the
155.30 investor, the commissioner must either certify the investor or reject the application within
155.31 30 days of receiving the additional information. If the commissioner neither certifies the
155.32 investor nor rejects the application within 30 days of receiving the original application or
155.33 within 30 days of receiving the additional information requested, whichever is later, then
155.34 the application is deemed rejected, and the commissioner must refund the \$350 application
155.35 fee. An investor who applies for certification and is rejected may reapply.

156.1 (c) To receive certification, an investor must (1) be a natural person; and (2) certify
156.2 to the commissioner that the investor will only invest in a transaction that is exempt under
156.3 section 80A.46, clause (13) or (14), in a security exempt under section 80A.461, or in a
156.4 security registered under section 80A.50, paragraph (b).

156.5 (d) In order for a qualified investment in a qualified small business to be eligible
156.6 for tax credits, a qualified investor who makes the investment must have applied for
156.7 and received certification for the calendar year prior to making the qualified investment,
156.8 except in the case of an investor who is not an accredited investor, within the meaning of
156.9 Regulation D of the Securities and Exchange Commission, Code of Federal Regulations,
156.10 title 17, section 230.501, paragraph (a), application for certification may be made within
156.11 30 days after making the qualified investment.

156.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
156.13 December 31, 2015.

156.14 Sec. 22. Minnesota Statutes 2014, section 116J.8747, subdivision 1, is amended to read:

156.15 Subdivision 1. **Grant allowed.** The commissioner may provide a grant to a qualified
156.16 job training program from money appropriated for the purposes of this section as follows:

156.17 (1) ~~a \$9,000~~ an \$11,000 placement grant paid to a job training program upon
156.18 placement in employment of a qualified graduate of the program; and

156.19 (2) ~~a \$9,000~~ an \$11,000 retention grant paid to a job training program upon retention
156.20 in employment of a qualified graduate of the program for at least one year.

156.21 Sec. 23. Minnesota Statutes 2014, section 116J.8747, subdivision 2, is amended to read:

156.22 Subd. 2. **Qualified job training program.** To qualify for grants under this section,
156.23 a job training program must satisfy the following requirements:

156.24 (1) the program must be operated by a nonprofit corporation that qualifies under
156.25 section 501(c)(3) of the Internal Revenue Code;

156.26 (2) the program must spend ~~at least~~, on average, \$15,000 or more per graduate
156.27 of the program;

156.28 (3) the program must provide education and training in:

156.29 (i) basic skills, such as reading, writing, mathematics, and communications;

156.30 (ii) thinking skills, such as reasoning, creative thinking, decision making, and
156.31 problem solving; and

156.32 (iii) personal qualities, such as responsibility, self-esteem, self-management,
156.33 honesty, and integrity;

157.1 (4) the program ~~must~~ may provide income supplements, when needed, to participants
157.2 for housing, counseling, tuition, and other basic needs;

157.3 (5) the program's education and training course must last for an average of at least
157.4 six months;

157.5 (6) individuals served by the program must:

157.6 (i) be 18 years of age or older;

157.7 (ii) have federal adjusted gross income of no more than ~~\$11,000~~ \$12,000 per year in
157.8 the calendar year immediately before entering the program;

157.9 (iii) have assets of no more than ~~\$7,000~~ \$10,000, excluding the value of a
157.10 homestead; and

157.11 (iv) not have been claimed as a dependent on the federal tax return of another person
157.12 in the previous taxable year; and

157.13 (7) the program must be certified by the commissioner of employment and economic
157.14 development as meeting the requirements of this subdivision.

157.15 Sec. 24. Minnesota Statutes 2014, section 116M.14, subdivision 2, is amended to read:

157.16 Subd. 2. **Board.** "Board" means the ~~Urban Initiative Board.~~ Minnesota emerging
157.17 entrepreneur program.

157.18 **EFFECTIVE DATE.** This section is effective July 1, 2016.

157.19 Sec. 25. Minnesota Statutes 2014, section 116M.14, is amended by adding a
157.20 subdivision to read:

157.21 Subd. 3a. **Department.** "Department" means the Department of Employment and
157.22 Economic Development.

157.23 **EFFECTIVE DATE.** This section is effective July 1, 2016.

157.24 Sec. 26. Minnesota Statutes 2014, section 116M.14, subdivision 4, is amended to read:

157.25 Subd. 4. **Low-income area.** "Low-income area" means:

157.26 (1) Minneapolis, St. Paul;

157.27 (2) those cities in the metropolitan area as defined in section 473.121, subdivision
157.28 2, that have an average income that is below 80 percent of the median income for a
157.29 four-person family as of the latest report by the United States Census Bureau; and

157.30 (3) ~~those cities in the metropolitan area, which contain two or more contiguous~~
157.31 ~~census tracts in which the average family income is less than 80 percent of the median~~
157.32 ~~family income for the Twin Cities~~ the area outside the metropolitan area.

158.1 **EFFECTIVE DATE.** This section is effective July 1, 2016.

158.2 Sec. 27. Minnesota Statutes 2014, section 116M.14, is amended by adding a
158.3 subdivision to read:

158.4 Subd. 4a. **Low-income person.** "Low-income person" means a person who has
158.5 an annual income, adjusted for family size, of not more than 80 percent of the area
158.6 median family income for the county of residence as of the latest report by the United
158.7 States Census Bureau.

158.8 **EFFECTIVE DATE.** This section is effective July 1, 2016.

158.9 Sec. 28. Minnesota Statutes 2014, section 116M.14, is amended by adding a
158.10 subdivision to read:

158.11 Subd. 4b. **Metropolitan area.** "Metropolitan area" has the meaning given in section
158.12 473.121, subdivision 2.

158.13 **EFFECTIVE DATE.** This section is effective July 1, 2016.

158.14 Sec. 29. Minnesota Statutes 2014, section 116M.14, is amended by adding a
158.15 subdivision to read:

158.16 Subd. 6. **Minority person.** "Minority person" means a person belonging to a racial
158.17 or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

158.18 **EFFECTIVE DATE.** This section is effective July 1, 2016.

158.19 Sec. 30. Minnesota Statutes 2014, section 116M.14, is amended by adding a
158.20 subdivision to read:

158.21 Subd. 7. **Program.** "Program" means the Minnesota emerging entrepreneur
158.22 program created by this chapter.

158.23 **EFFECTIVE DATE.** This section is effective July 1, 2016.

158.24 Sec. 31. Minnesota Statutes 2014, section 116M.14, is amended by adding a
158.25 subdivision to read:

158.26 Subd. 8. **Veteran.** "Veteran" means a veteran as defined in section 197.447.

158.27 **EFFECTIVE DATE.** This section is effective July 1, 2016.

159.1 Sec. 32. Minnesota Statutes 2014, section 116M.14, is amended by adding a
159.2 subdivision to read:

159.3 Subd. 9. **Persons with disabilities.** "Persons with disabilities" means an individual
159.4 with a disability, as defined under the Americans with Disabilities Act, United States
159.5 Code, title 42, section 12102.

159.6 **EFFECTIVE DATE.** This section is effective July 1, 2016.

159.7 Sec. 33. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

159.8 Subdivision 1. **Creation; Membership.** ~~The Urban-Initiative~~ Minnesota Emerging
159.9 Entrepreneur Board is created and consists of the commissioner of employment and
159.10 economic development, the commissioner of human rights, the chair of the Metropolitan
159.11 Council, and eight 12 members from the general public appointed by the governor. Six
159.12 Nine of the public members must be representatives from minority business enterprises.
159.13 No more than four six of the public members may be of one gender. At least one member
159.14 must be a representative from a veteran-owned business, and at least one member must
159.15 be a representative from a business owned by a person with disabilities. Appointments
159.16 must ensure balanced geographic representation. At least half of the public members must
159.17 have experience working to address racial income disparities. All public members must be
159.18 experienced in business or economic development.

159.19 **EFFECTIVE DATE.** This section is effective July 1, 2016.

159.20 Sec. 34. Minnesota Statutes 2014, section 116M.15, is amended by adding a
159.21 subdivision to read:

159.22 Subd. 1a. **Board responsibilities.** The board shall:

159.23 (1) submit a report to the commissioner by February 1 of each year describing
159.24 the condition of Minnesota small businesses that are majority owned and operated by a
159.25 racial or ethnic minority, woman, veteran, or a person with disabilities, along with any
159.26 policy recommendations;

159.27 (2) act as a liaison between the department and nonprofit corporations engaged in
159.28 small business development support activities; and

159.29 (3) assist the department in informational outreach about the program.

159.30 **EFFECTIVE DATE.** This section is effective July 1, 2016.

159.31 Sec. 35. Minnesota Statutes 2014, section 116M.17, subdivision 2, is amended to read:

160.1 Subd. 2. **Technical assistance.** ~~The board through the department, shall provide~~
160.2 ~~technical assistance and development information services to state agencies, regional~~
160.3 ~~agencies, special districts, local governments, and the public, with special emphasis on~~
160.4 ~~minority communities~~ informational outreach about the program to lenders, nonprofit
160.5 corporations, and low-income and minority communities throughout the state that support
160.6 the development of business enterprises and entrepreneurs.

160.7 **EFFECTIVE DATE.** This section is effective July 1, 2016.

160.8 Sec. 36. Minnesota Statutes 2014, section 116M.17, subdivision 4, is amended to read:

160.9 Subd. 4. **Reports.** The board shall submit an annual report to the legislature of an
160.10 accounting of loans made under section 116M.18, including information on loans to
160.11 ~~minority business enterprises made, the number of jobs created by the program, the impact~~
160.12 ~~on low-income areas, and recommendations concerning minority business development~~
160.13 ~~and jobs for persons in low-income areas.~~

160.14 **EFFECTIVE DATE.** This section is effective July 1, 2016.

160.15 Sec. 37. Minnesota Statutes 2014, section 116M.18, is amended to read:

160.16 **116M.18 URBAN CHALLENGE GRANTS MINNESOTA EMERGING**
160.17 **ENTREPRENEUR PROGRAM.**

160.18 Subdivision 1. **Establishment.** The Minnesota emerging entrepreneur program is
160.19 established to award grants to nonprofit corporations to fund loans to businesses owned by
160.20 minority or low-income persons, women, veterans, or people with disabilities.

160.21 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand,
160.22 loans shall be made so that an approximately equal dollar amount of loans are made to
160.23 businesses in the metropolitan area as in the nonmetropolitan area. After September
160.24 30 of each calendar year, the department may allow loans to be made anywhere in the
160.25 state without regard to geographic area.

160.26 ~~Subdivision 1~~ Subd. 1b. **Eligibility rules Grants.** The board department shall
160.27 make urban challenge grants for use in low-income areas to nonprofit corporations to
160.28 fund loans to businesses owned by minority or low-income persons, women, veterans, or
160.29 people with disabilities to encourage private investment, to provide jobs for minority and
160.30 low-income persons and others in low-income areas, to create and strengthen minority
160.31 business enterprises, and to promote economic development in a low-income area. The
160.32 board shall adopt rules to establish criteria for determining loan eligibility.

161.1 Subd. 2. **Challenge Grant eligibility; nonprofit corporation.** (a) ~~The board~~
161.2 ~~department~~ may enter into agreements with nonprofit corporations to fund and guarantee
161.3 loans the nonprofit corporation makes ~~in low-income areas under subdivision 4.~~ A
161.4 ~~corporation must demonstrate that~~ to businesses owned by minority or low-income
161.5 persons, women, veterans, or people with disabilities. The department shall evaluate
161.6 applications from nonprofit corporations. In evaluating applications, the department must
161.7 consider, among other things, whether the nonprofit corporation:

161.8 (1) ~~its~~ has a board of directors that includes citizens experienced in business
161.9 and community development, minority business enterprises, addressing racial income
161.10 disparities, and creating jobs in low-income areas for low-income and minority persons;

161.11 (2) ~~it~~ has the technical skills to analyze projects;

161.12 (3) ~~it~~ is familiar with other available public and private funding sources and
161.13 economic development programs;

161.14 (4) ~~it~~ can initiate and implement economic development projects;

161.15 (5) ~~it~~ can establish and administer a revolving loan account or has operated a
161.16 revolving loan account; ~~and~~

161.17 (6) ~~it~~ can work with job referral networks which assist minority and ~~other persons in~~
161.18 ~~low-income areas~~ low-income persons; and

161.19 (7) has established relationships with minority communities.

161.20 (b) The department shall review existing agreements with nonprofit corporations
161.21 every five years and may renew or terminate the agreement based on the review. In making
161.22 its review, the department shall consider, among other criteria, the criteria in paragraph (a).

161.23 Subd. 3. **Revolving loan fund.** (a) ~~The board~~ department shall establish a revolving
161.24 loan fund to make grants to nonprofit corporations for the purpose of making loans and
161.25 ~~loan guarantees to new and expanding businesses in a low-income area to promote~~ owned
161.26 by minority or low-income persons, women, veterans, or people with disabilities, and to
161.27 support minority business enterprises and job creation for minority and ~~other persons~~
161.28 ~~in low-income areas~~ low-income persons.

161.29 (b) Nonprofit corporations that receive grants from the department under the
161.30 program must establish a commissioner-certified revolving loan fund for the purpose
161.31 of making eligible loans.

161.32 (c) Eligible business enterprises include, but are not limited to, technologically
161.33 innovative industries, value-added manufacturing, and information industries.

161.34 (d) Loan applications given preliminary approval by the nonprofit corporation must
161.35 be forwarded to the board department for approval. The commissioner must give final
161.36 approval for each loan ~~or loan guarantee~~ made by the nonprofit corporation. The amount

162.1 of the state funds contributed to any loan ~~or loan guarantee~~ may not exceed 50 percent
162.2 of each loan.

162.3 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans
162.4 made ~~or guaranteed~~ by nonprofit corporations under the ~~urban challenge grant~~ program.

162.5 (b) Loans ~~or guarantees~~ must be made to businesses that are not likely to undertake
162.6 a project for which loans are sought without assistance from the ~~urban challenge grant~~
162.7 program.

162.8 (c) A loan ~~or guarantee~~ must be used for a project designed to benefit persons in
162.9 ~~low-income areas through the creation of job or business opportunities for them~~ to support
162.10 a business owned by a minority or a low-income person, woman, veteran, or a person with
162.11 disabilities. Priority must be given for loans to the lowest income areas.

162.12 (d) The minimum state contribution to a loan ~~or guarantee~~ is \$5,000 and the
162.13 maximum is \$150,000.

162.14 (e) The state contribution must be matched by at least an equal amount of new
162.15 private investment.

162.16 (f) A loan may not be used for a retail development project.

162.17 (g) The business must agree to work with job referral networks that focus on
162.18 minority and low-income applicants ~~from low-income areas~~.

162.19 Subd. 4a. **Microenterprise loan.** ~~Urban challenge Program~~ grants may be
162.20 used to make microenterprise loans to small, beginning businesses, including a sole
162.21 proprietorship. Microenterprise loans are subject to this section except that:

162.22 (1) they may also be made to qualified retail businesses;

162.23 (2) they may be made for a minimum of ~~\$1,000~~ \$5,000 and a maximum of ~~\$25,000~~
162.24 \$35,000; and

162.25 (3) in a low-income area, they may be made for a minimum of \$5,000 and a
162.26 maximum of \$50,000; and

162.27 ~~(3)~~ (4) they do not require a match.

162.28 Subd. 5. **Revolving fund administration; rules.** (a) The ~~board~~ department shall
162.29 establish a minimum interest rate for loans or guarantees to ensure that necessary loan
162.30 administration costs are covered. The interest rate charged by a nonprofit corporation for
162.31 a loan under this subdivision must not exceed the Wall Street Journal prime rate plus
162.32 four percent. For a loan under this subdivision, the nonprofit corporation may charge a
162.33 loan origination fee equal to or less than one percent of the loan value. The nonprofit
162.34 corporation may retain the amount of the origination fee.

162.35 (b) Loan repayment amounts ~~equal to one-half of the principal and interest~~ must be
162.36 ~~deposited in a revolving fund created by the board for challenge grants~~. The remaining

163.1 ~~amount of the loan repayment may be paid to the department for deposit in the revolving~~
163.2 ~~loan fund. Loan interest payments must be deposited in a revolving loan fund created by~~
163.3 ~~the nonprofit corporation originating the loan being repaid for further distribution or use,~~
163.4 ~~consistent with the loan criteria specified in subdivision 4 of this section.~~

163.5 (c) Administrative expenses of the ~~board and~~ nonprofit corporations with whom the
163.6 ~~board~~ department enters into agreements ~~under subdivision 2~~, including expenses incurred
163.7 by a nonprofit corporation in providing financial, technical, managerial, and marketing
163.8 assistance to a business enterprise receiving a loan under subdivision 4, may be paid out
163.9 of the interest earned on loans and out of interest earned on money invested by the state
163.10 Board of Investment under section 116M.16, subdivision 2, as may be provided by the
163.11 ~~board~~ department.

163.12 ~~Subd. 6. **Rules.** The board shall adopt rules to implement this section.~~

163.13 ~~Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit~~
163.14 ~~corporation with which it has entered into an agreement under subdivision 1. These~~
163.15 ~~loans must be used to support a new or expanding business. This support may include~~
163.16 ~~such forms of financing as the sale of goods to the business on installment or deferred~~
163.17 ~~payments, lease purchase agreements, or royalty investments in the business. The interest~~
163.18 ~~rate charged by a nonprofit corporation for a loan under this subdivision must not exceed~~
163.19 ~~the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the~~
163.20 ~~nonprofit corporation may charge a loan origination fee equal to or less than one percent~~
163.21 ~~of the loan value. The nonprofit corporation may retain the amount of the origination fee.~~
163.22 ~~The nonprofit corporation must provide at least an equal match to the loan received by the~~
163.23 ~~board. The maximum loan available to the nonprofit corporation under this subdivision is~~
163.24 ~~\$50,000. Loans made to the nonprofit corporation under this subdivision may be made~~
163.25 ~~without interest. Repayments made by the nonprofit corporation must be deposited in the~~
163.26 ~~revolving fund created for urban initiative grants.~~

163.27 Subd. 7. **Cooperation.** A nonprofit corporation that receives an ~~urban challenge~~ a
163.28 program grant shall cooperate with other organizations, including but not limited to,
163.29 community development corporations, community action agencies, and the Minnesota
163.30 small business development centers.

163.31 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a
163.32 ~~challenge~~ program grant shall:

163.33 (1) submit an annual report to the board ~~and department~~ by September March
163.34 30 of each year that includes a description of ~~projects~~ businesses supported by the
163.35 ~~urban challenge~~ grant program, an account of loans made during the calendar year, the
163.36 program's impact on minority business enterprises and job creation for minority persons

164.1 and low-income persons in low-income areas, the source and amount of money collected
164.2 and distributed by the ~~urban challenge grant~~ program, the program's assets and liabilities,
164.3 and an explanation of administrative expenses; and

164.4 (2) provide for an independent annual audit to be performed in accordance with
164.5 generally accepted accounting practices and auditing standards and submit a copy of each
164.6 annual audit report to the ~~board~~ department.

164.7 **EFFECTIVE DATE.** This section is effective July 1, 2016.

164.8 Sec. 38. Minnesota Statutes 2015 Supplement, section 326B.988, is amended to read:

164.9 **326B.988 EXCEPTIONS.**

164.10 (a) The provisions of sections 326B.95 to 326B.998 shall not apply to:

164.11 (1) boilers and pressure vessels in buildings occupied solely for residence purposes
164.12 with accommodations for not more than five families;

164.13 (2) railroad locomotives operated by railroad companies for transportation purposes;

164.14 (3) air tanks installed on the right-of-way of railroads and used directly in the
164.15 operation of trains;

164.16 (4) boilers and pressure vessels under the direct jurisdiction of the United States;

164.17 (5) unfired pressure vessels having an internal or external working pressure not
164.18 exceeding 15 psig with no limit on size;

164.19 (6) pressure vessels used for storage of compressed air not exceeding five cubic feet
164.20 in volume and equipped with an ASME code stamped safety valve set at a maximum of
164.21 100 psig;

164.22 (7) pressure vessels having an inside diameter not exceeding six inches;

164.23 (8) every vessel that contains water under pressure, including those containing air
164.24 that serves only as a cushion, whose design pressure does not exceed 300 psig and whose
164.25 design temperature does not exceed 210 degrees Fahrenheit;

164.26 (9) boiler or pressure vessels located on farms used solely for agricultural or
164.27 horticultural purposes; for purposes of this section, boilers used for mint oil extraction
164.28 are considered used for agricultural or horticultural purposes, provided that the owner or
164.29 lessee complies with the inspection requirements contained in section 326B.958;

164.30 (10) tanks or cylinders used for storage or transfer of liquefied petroleum gases;

164.31 (11) unfired pressure vessels in petroleum refineries;

164.32 (12) an air tank or pressure vessel which is an integral part of a passenger motor
164.33 bus, truck, or trailer;

165.1 (13) hot water heating and other hot liquid boilers not exceeding a heat input of
165.2 750,000 BTU per hour;

165.3 (14) hot water supply boilers (water heaters) not exceeding a heat input of 500,000
165.4 BTU per hour, a water temperature of 210 degrees Fahrenheit, a nominal water capacity
165.5 of 120 gallons, or a pressure of 160 psig;

165.6 (15) a laundry and dry cleaning press not exceeding five cubic feet of steam volume;

165.7 (16) pressure vessels operated full of water or other liquid not materially more
165.8 hazardous than water, if the vessel's contents' temperature does not exceed 210 degrees
165.9 Fahrenheit or a pressure of 200 psig;

165.10 (17) steam-powered turbines at papermaking facilities which are powered by steam
165.11 generated by steam facilities at a remote location;

165.12 (18) manually fired boilers for model locomotive, boat, tractor, stationary engine,
165.13 or antique motor vehicles constructed or maintained only as a hobby for exhibition,
165.14 educational or historical purposes and not for commercial use, if the boilers have an
165.15 inside diameter of 12 inches or less, or a grate area of two square feet or less, and are
165.16 equipped with an ASME stamped safety valve of adequate size, a water level indicator,
165.17 and a pressure gauge;

165.18 (19) any pressure vessel used as an integral part of an electrical circuit breaker;

165.19 (20) pressure vessels used for the storage of refrigerant if they are built to ASME
165.20 code specifications, registered with the national board, and equipped with an ASME
165.21 code-stamped pressure-relieving device set no higher than the maximum allowable
165.22 working pressure of the vessel. This does not include pressure vessels used in ammonia
165.23 refrigeration systems;

165.24 (21) pressure vessels used for the storage of oxygen, nitrogen, helium, carbon dioxide,
165.25 argon, nitrous oxide, or other medical gas, provided the vessel is constructed to ASME
165.26 or Minnesota Department of Transportation specifications and equipped with an ASME
165.27 code-stamped pressure-relieving device. The owner of the vessels shall perform annual
165.28 visual inspections and planned maintenance on these vessels to ensure vessel integrity;

165.29 (22) pressure vessels used for the storage of compressed air for self-contained
165.30 breathing apparatuses;

165.31 (23) hot water heating or other hot liquid boilers vented directly to the atmosphere;
165.32 and

165.33 (24) pressure vessels used for the storage of compressed air not exceeding 1.5 cubic
165.34 feet (11.22 gallons) in volume with a maximum allowable working pressure of 600 psi or
165.35 less.

165.36 (b) An engineer's license is not required for hot water supply boilers.

166.1 (c) An engineer's license and annual inspection by the department is not required
166.2 for boilers, steam cookers, steam kettles, steam sterilizers or other steam generators not
166.3 exceeding 100,000 BTU per hour input, 25 kilowatt, and a pressure of 15 psig.

166.4 (d) Electric boilers not exceeding a maximum working pressure of 50 psig,
166.5 maximum of 30 kilowatt input or three horsepower rating shall be inspected as pressure
166.6 vessels and shall not require an engineer license to operate.

166.7 (e) Sawmills, located in a county with a population of less than 8,000 according to
166.8 the last federal census and that utilize steam for the drying of lumber, are not required to
166.9 meet the high pressure boiler attendance requirements set forth in Minnesota Rules, part
166.10 5225.1180, only if all of the following conditions are met:

166.11 (1) the owner complies with the inspection requirements under section 326B.958,
166.12 and the licensing requirements under section 326B.972; and

166.13 (2) the boiler:

166.14 (i) is equipped with electronic control systems that are remotely operated but which
166.15 require on-site manual reset of system faults;

166.16 (ii) is remotely monitored for log water levels, boiler pressure, and steam flow;

166.17 (iii) has automatic safety mechanisms built into the remote monitoring systems that
166.18 send an alarm upon detection of a fault condition, and an on-site alarm that will sound
166.19 upon detection of a fault condition and which may be heard at a distance of 500 feet;

166.20 (iv) has a water treatment program that is supervised by a third party water treatment
166.21 company; and

166.22 (v) is attended on site by a licensed boiler operator at least two times in a 24-hour
166.23 period. If the boiler is not attended more than twice in a 24-hour period, the period
166.24 between checks must not be less than eight hours.

166.25 ~~This paragraph expires August 1, 2016.~~ This paragraph expires the sooner of August
166.26 1, 2018, or upon the effective date of a rule regulating high pressure boiler attendance
166.27 requirements at a sawmill described in this paragraph adopted after the effective date
166.28 of this act.

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

166.30 Sec. 39. Minnesota Statutes 2014, section 462A.204, subdivision 1, is amended to read:

166.31 Subdivision 1. **Establishment.** The agency may establish a family homeless
166.32 prevention and assistance program to assist families who are homeless or are at imminent
166.33 risk of homelessness. The term "family" may include single individuals. The agency may
166.34 make grants to develop and implement family homeless prevention and assistance projects

167.1 under the program. For purposes of this section, "families" means families and persons
167.2 ~~under the age of 22~~ 24 years of age or younger.

167.3 Sec. 40. Minnesota Statutes 2014, section 462A.204, subdivision 3, is amended to read:

167.4 Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of
167.5 the metropolitan area. A county, a group of contiguous counties jointly acting together, a
167.6 tribe, a group of tribes, or a community-based nonprofit organization with a sponsoring
167.7 resolution from each of the county boards of the counties located within its operating
167.8 jurisdiction may apply for and receive grants for areas located outside the metropolitan area.

167.9 Sec. 41. **[462A.38] WORKFORCE AND AFFORDABLE HOMEOWNERSHIP**
167.10 **DEVELOPMENT PROGRAM.**

167.11 Subdivision 1. **Establishment.** A workforce and affordable homeownership
167.12 development program is established to award homeownership development grants
167.13 to nonprofit organizations, cooperatives created under chapter 308A or 308B, and
167.14 community land trusts created for the purposes outlined in section 462A.31, subdivision
167.15 1, for development of workforce and affordable homeownership projects. The purpose
167.16 of the program is to increase the supply of workforce and affordable, owner-occupied
167.17 multifamily or single-family housing throughout Minnesota.

167.18 Subd. 2. **Use of funds.** (a) Grant funds awarded under this program may be used for:

167.19 (1) development costs;

167.20 (2) rehabilitation;

167.21 (3) land development; and

167.22 (4) residential housing, including storm shelters and related community facilities.

167.23 (b) A project funded through the grant program shall serve households that meet the
167.24 income limits as provided in section 462A.33, subdivision 5, unless a project is intended
167.25 for the purpose outlined in section 462A.02, subdivision 6.

167.26 Subd. 3. **Application.** The commissioner shall develop forms and procedures for
167.27 soliciting and reviewing applications for grants under this section. The commissioner shall
167.28 consult with interested stakeholders when developing the guidelines and procedures for
167.29 the program. In making grants, the commissioner shall establish semiannual application
167.30 deadlines in which grants will be authorized from all or part of the available appropriations.

167.31 Subd. 4. **Awarding grants.** Among comparable proposals, preference must be
167.32 given to proposals that include contributions from nonstate resources for the greatest
167.33 portion of the total development cost.

168.1 Subd. 5. **Statewide program.** The agency shall attempt to make grants in
168.2 approximately equal amounts to applicants outside and within the metropolitan area.

168.3 Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually
168.4 submit a report to the chairs and ranking minority members of the senate and house of
168.5 representatives committees having jurisdiction over housing and workforce development
168.6 specifying the projects that received grants under this section and the specific purposes for
168.7 which the grant funds were used.

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

168.9 Sec. 42. Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special
168.10 Session chapter 1, article 7, section 1, is amended to read:

168.11 Sec. 13. **EFFECTIVE DATE.**

168.12 Sections 1 to 3 and 6 to 11 are effective July 1, ~~2016~~ 2017. Sections 4, 5, and 12
168.13 are effective July 1, 2014.

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

168.15 Until July 1, ~~2016~~ 2017, any employee, employer, employee or employer organization,
168.16 exclusive representative, or any other person or organization aggrieved by an unfair labor
168.17 practice as defined in Minnesota Statutes, section 179A.13, may bring an action for
168.18 injunctive relief and for damages caused by the unfair labor practice in the district court of
168.19 the county in which the practice is alleged to have occurred.

168.20 Sec. 43. Laws 2015, First Special Session chapter 1, article 1, section 4, is amended to
168.21 read:

168.22 Sec. 4. **EXPLORE MINNESOTA TOURISM** \$ **14,118,000** \$ **14,248,000**

168.23 (a) To develop maximum private sector
168.24 involvement in tourism, \$500,000 in fiscal
168.25 year 2016 and \$500,000 in fiscal year 2017
168.26 must be matched by Explore Minnesota
168.27 Tourism from nonstate sources. Each \$1 of
168.28 state incentive must be matched with \$6 of
168.29 private sector funding. Cash match is defined
168.30 as revenue to the state or documented cash
168.31 expenditures directly expended to support
168.32 Explore Minnesota Tourism programs. Up
168.33 to one-half of the private sector contribution

169.1 may be in-kind or soft match. The incentive
169.2 in fiscal year 2016 shall be based on fiscal
169.3 year 2015 private sector contributions. The
169.4 incentive in fiscal year 2017 shall be based on
169.5 fiscal year 2016 private sector contributions.
169.6 This incentive is ongoing. Of this amount,
169.7 \$100,000 is for a grant to the Northern Lights
169.8 International Music festival.

169.9 (b) Funding for the marketing grants is
169.10 available either year of the biennium.
169.11 Unexpended grant funds from the first year
169.12 are available in the second year.

169.13 (c) \$30,000 in fiscal year 2016 is for Mille
169.14 Lacs Lake tourism promotion. This is a
169.15 onetime appropriation.

169.16 Sec. 44. **DAY TRAINING AND HABILITATION GRANT PROGRAM.**

169.17 Subdivision 1. **Establishment.** The commissioner of employment and economic
169.18 development shall establish a day training and habilitation grant program in fulfillment
169.19 of the Olmstead Plan purpose of ensuring that people with disabilities have choices for
169.20 competitive, meaningful, and sustained employment in the most integrated setting.

169.21 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms
169.22 have the meanings given them.

169.23 (b) "Day training and habilitation providers" means those organizations whose
169.24 names are listed as Department of Human Services providers in the Minnesota Department
169.25 of Administration, Materials Management Division, ALP Manual, Appendix J, without
169.26 regard to whether they are listed as approved vendors with the Minnesota Department
169.27 of Employment and Economic Development, Division of Rehabilitation Services as a
169.28 community rehabilitation provider, limited-use vendor, or center for independent living,
169.29 and irrespective as to whether they are accredited by CARF International.

169.30 (c) "Competitive employment" means full-time or part-time employment, with or
169.31 without support, in an integrated setting in the community that pays at least minimum
169.32 wage, as defined by the Fair Labor Standards Act, but not less than the customary wage
169.33 and level of benefits paid by the employer for the same or similar work performed by
169.34 workers without a disability.

170.1 (d) "Olmstead Plan" means Minnesota's 2013 Olmstead Plan, dated November 1,
170.2 2013, and all subsequent modifications approved by the United States District Court.

170.3 Subd. 3. **Competitive process.** The commissioner shall issue a request for proposals
170.4 to day training and habilitation providers seeking proposals to assist the Department
170.5 of Employment and Economic Development in achieving its goals as provided in the
170.6 Olmstead Plan. Grant funds shall be used to improve individual employment outcomes
170.7 by aligning programs, funding, and policies to support people with disabilities to choose,
170.8 secure, and maintain competitive employment and self-employment, including, but not
170.9 limited to, the following activities:

170.10 (1) implementing policies and initiating processes that improve the employment
170.11 outcomes of working adults with disabilities;

170.12 (2) offering incentives for innovation that increase competitive employment in
170.13 the general work force;

170.14 (3) expanding the flexibility in current funding and services to increase competitive
170.15 employment outcomes;

170.16 (4) providing evidence of partnerships with private sector businesses and public
170.17 sector employment; and

170.18 (5) submitting outcome data, required by the department, according to the
170.19 stipulations of the Olmstead Plan.

170.20 Subd. 4. **Eligibility.** Any person who has a disability as determined by the Social
170.21 Security Administration or state medical review team is eligible to receive services
170.22 provided with grant funds.

170.23 Subd. 5. **Consultation required.** The commissioner shall consult with the
170.24 governor's Workforce Development Council, the Commission of Deaf, DeafBlind, and
170.25 Hard-of-Hearing Minnesotans, the governor's Council on Developmental Disabilities, and
170.26 other governor-appointed disability councils in designing, implementing, and evaluating
170.27 the competitive grant program.

170.28 Subd. 6. **Report.** On or before February 1, 2017, and annually thereafter, the
170.29 commissioner shall report to the chairs and ranking minority members of the senate and
170.30 house of representatives committees having jurisdiction over employment and economic
170.31 development policy and finance on the amount of funds awarded and the outcomes
170.32 reported by grantees.

170.33 Sec. 45. **EXPLOITED FAMILIES RENTAL ASSISTANCE PILOT PROGRAM.**

171.1 Subdivision 1. **Rental assistance program.** (a) The commissioner of housing finance
171.2 shall establish a grant pilot program within the housing trust fund to serve individuals or
171.3 families from emerging communities at risk of being homeless and who have been victims
171.4 of gender-based violence, including but not limited to domestic violence, sexual assault,
171.5 trafficking, international abusive marriage, or forced marriage. For the purposes of this
171.6 section, the term "emerging communities" is defined as communities that are unfamiliar
171.7 with mainstream government services and that have limited English proficiency. The
171.8 commissioner shall award grants to organizations that can provide or partner with an
171.9 organization that can provide linguistically and culturally appropriate services and that
171.10 have the capacity to serve individuals or families from emerging communities who have
171.11 experienced gender-based violence. The commissioner may consult with the Departments
171.12 of Human Services and Public Safety when establishing the grant program.

171.13 (b) The pilot program must:

171.14 (1) provide rental assistance to individuals or families with a minor child;

171.15 (2) require the participants to pay at least 30 percent of the participant's income
171.16 toward the rent;

171.17 (3) allow the families to choose their own housing, including single-family homes,
171.18 townhomes, and apartments; and

171.19 (4) give priority to individuals or families who experience barriers in accessing
171.20 housing, including having limited English proficiency, lack of positive rental history,
171.21 employment history, and financial history.

171.22 Subd. 2. **Program evaluation.** All grant recipients must collect and make
171.23 available to the commissioner of housing finance aggregate data to assist the agency in
171.24 the evaluation of the program. The commissioner of housing finance shall evaluate the
171.25 program and measure the number of families served from emerging communities and the
171.26 housing status of the participants.

171.27 Sec. 46. **LAKE MILLE LACS AREA ECONOMIC RELIEF PROGRAM.**

171.28 Subdivision 1. **Relief program established.** Mille Lacs County must develop and
171.29 implement a Lake Mille Lacs area economic relief program to assist businesses adversely
171.30 affected by a decline in walleye fishing on Lake Mille Lacs.

171.31 Subd. 2. **Available relief.** (a) The economic relief program established under this
171.32 section may include grants or loans as provided in this section to the extent that funds are
171.33 available. Prior to awarding a grant to Mille Lacs County for the relief program under
171.34 this section:

- 172.1 (1) the county must develop criteria, procedures, and requirements for:
172.2 (i) determining eligibility for assistance;
172.3 (ii) the duration, terms, underwriting and security requirements, and repayment
172.4 requirements for loans;
172.5 (iii) evaluating applications for assistance;
172.6 (iv) awarding assistance; and
172.7 (v) administering the grant and loan program authorized under this section;
172.8 (2) the county must submit its criteria, procedures, and requirements developed
172.9 pursuant to clause (1) to the commissioner of employment and economic development
172.10 for review; and
172.11 (3) the commissioner must approve the criteria, procedures, and requirements as
172.12 developed pursuant to clause (1) to be used by the county in determining eligibility for
172.13 assistance, evaluating, awarding, and administering the grant and loan program.
172.14 (b) The relief authorized under this section includes:
172.15 (1) grants not to exceed \$50,000 per business. Grants may be awarded to applicants
172.16 only when the county determines that a loan is not appropriate to address the needs of
172.17 the applicant; and
172.18 (2) loans, with or without interest, and deferred or forgivable loans. The maximum
172.19 loan amount under this subdivision is \$100,000 per business. The lending criteria adopted
172.20 by the county for loans under this subdivision must:
172.21 (i) specify that an entity receiving a deferred or forgivable loan must remain in
172.22 the local community a minimum of five years after the date of the loan. The maximum
172.23 loan deferral period must not exceed five years from the date the loan is approved. The
172.24 maximum amount of a loan that may be forgiven must not exceed 50 percent of the
172.25 principle amount and may be forgiven only if the business has remained in operation in
172.26 the community for at least ten years after the loan is approved; and
172.27 (ii) require submission of a business plan for continued operation until the walleye
172.28 fishing resource recovers. The plan must document the probable success of the applicant's
172.29 business plan and probable success in repaying the loan according to the terms established
172.30 for the loan program; and
172.31 (3) tourism promotion grants to the Mille Lacs Tourism Council.
172.32 (c) All loan repayment funds under this subdivision must be paid to the commissioner
172.33 of employment and economic development for deposit in the Minnesota investment fund
172.34 disaster contingency account under Minnesota Statutes, section 116J.8731.
172.35 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a
172.36 business must:

- 173.1 (1) be located within one of the following municipalities surrounding Lake Mille
173.2 Lacs:
- 173.3 (i) in Crow Wing County, the city of Garrison, township of Garrison, or township
173.4 of Roosevelt;
- 173.5 (ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township
173.6 of Malmo, or township of Lakeside; or
- 173.7 (iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township
173.8 of East Side, township of Isle Harbor, township of South Harbor, or township of Kathio;
- 173.9 (2) document a reduction of at least ten percent in gross receipts in any two-year
173.10 period since 2010; and
- 173.11 (3) be a business in one of the following industries, as defined within the
173.12 North American Industry Classification System: accommodation, restaurants, bars,
173.13 amusement and recreation, food and beverages retail, sporting goods, miscellaneous retail,
173.14 general retail, museums, historical sites, health and personal care, gas station, general
173.15 merchandise, business and professional membership, movies, or nonstore retailer, as
173.16 determined by Mille Lacs County in consultation with the commissioner of employment
173.17 and economic development.
- 173.18 Subd. 4. **Monitoring.** (a) Mille Lacs County must establish performance measures
173.19 that include, but are not limited to, the following components:
- 173.20 (1) the number of loans approved and the amounts and terms of the loans;
- 173.21 (2) the number of grants awarded, award amounts, and the reason that a grant award
173.22 was made in lieu of a loan;
- 173.23 (3) the loan default rate;
- 173.24 (4) the number of jobs created or retained as a result of the assistance, including
173.25 information on the wages and benefit levels, the status of the jobs as full-time or part-time,
173.26 and the status of the jobs as temporary or permanent;
- 173.27 (5) the amount of business activity and changes in gross revenues of the grant or
173.28 loan recipient as a result of the assistance; and
- 173.29 (6) the new tax revenue generated as a result of the assistance.
- 173.30 (b) The commissioner of employment and economic development must monitor
173.31 Mille Lacs County's compliance with this section and the performance measures
173.32 developed under paragraph (a).
- 173.33 (c) Mille Lacs County must comply with all requests made by the commissioner
173.34 under this section.

174.1 Subd. 5. **Business subsidy requirements.** Sections 116J.993 to 116J.995 do not
174.2 apply to assistance under this section. Businesses in receipt of assistance under this section
174.3 must provide for job creation and retention goals, and wage and benefit goals.

174.4 Subd. 6. **Administrative costs.** The commissioner of employment and economic
174.5 development may use up to one percent of the appropriation made for this section for
174.6 administrative expenses of the department.

174.7 **EFFECTIVE DATE.** This section, except for subdivision 4, is effective July 1,
174.8 2016, and expires June 30, 2017. Subdivision 4 is effective July 1, 2016, and expires on
174.9 the date the last loan is repaid or forgiven as provided under this section.

174.10 Sec. 47. **REVISOR'S INSTRUCTION.**

174.11 In the next editions of Minnesota Statutes and Minnesota Rules, the revisor of
174.12 statutes shall change the term "Urban Initiative Board" or similar to "Minnesota emerging
174.13 entrepreneur program," "program," or similar terms as the context requires.

174.14 **ARTICLE 8**

174.15 **LABOR AND INDUSTRY** 174.16 **HOUSEKEEPING**

174.17 Section 1. Minnesota Statutes 2015 Supplement, section 326B.13, subdivision 8, is
174.18 amended to read:

174.19 Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code
174.20 is effective 270 days after publication of the rule's notice of adoption in the State Register.
174.21 The rule may provide for a later effective date. The rule may provide for an earlier effective
174.22 date if the commissioner or board proposing the rule finds that an earlier effective date is
174.23 necessary to protect public health and safety after considering, among other things, the need
174.24 for time for training of individuals to comply with and enforce the rule. The commissioner
174.25 must publish an electronic version of the entire adopted rule chapter on the department's
174.26 Web site within ten days of receipt from the revisor of statutes. The commissioner shall
174.27 clearly indicate the effective date of the rule on the department's Web site.

174.28 Sec. 2. Minnesota Statutes 2014, section 326B.439, is amended to read:

174.29 **326B.439 BAN ON LEAD IN PLUMBING.**

174.30 ~~Lead pipe,~~ Solders and flux containing more than 0.2 percent lead, and pipes and
174.31 pipe fittings containing not more than eight a weighted average of 0.25 percent lead when
174.32 used with respect to the wetted surfaces of pipes, pipe fittings, plumbing fittings, and

175.1 fixtures shall ~~not~~ be used in any plumbing installation which conveys a potable water
175.2 supply. A Minnesota seller of lead solder, except for a seller whose primary business is
175.3 contracting in plumbing, heating, and air conditioning, shall not sell any solder containing
175.4 0.2 percent lead unless the seller displays a sign which states,

175.5 "Contains Lead

175.6 Minnesota law prohibits the use of this solder in any
175.7 plumbing installation which is connected to a potable water
175.8 supply."

175.9 Sec. 3. Minnesota Statutes 2014, section 326B.49, subdivision 1, is amended to read:

175.10 Subdivision 1. **Application, examination, and license fees.** (a) Applications for
175.11 master and journeyman plumber's licenses shall be made to the commissioner, with
175.12 all fees required by section 326B.092. Unless the applicant is entitled to a renewal,
175.13 the applicant shall be licensed by the commissioner only after passing a satisfactory
175.14 examination developed and administered by the commissioner, based upon rules adopted
175.15 by the Plumbing Board, showing fitness.

175.16 (b) All ~~initial~~ journeyman plumber's licenses shall ~~be effective for more than one~~
175.17 ~~calendar year and shall~~ expire on December 31 of ~~the year after the year in which~~
175.18 ~~the application is made~~ each odd-numbered year after issuance or renewal. All master
175.19 plumber's licenses shall expire on December 31 of each even-numbered year after issuance
175.20 or renewal. ~~The commissioner shall in a manner determined by the commissioner, without~~
175.21 ~~the need for any rulemaking under chapter 14, phase in the renewal of master and~~
175.22 ~~journeyman plumber's licenses from one year to two years. By June 30, 2011, All renewed~~
175.23 master and journeyman plumber's licenses shall be two-year licenses.

175.24 (c) Applications for contractor licenses shall be made to the commissioner, with all
175.25 fees required by section 326B.092. All contractor licenses shall expire on December 31 of
175.26 each odd-numbered year after issuance or renewal.

175.27 (d) For purposes of calculating license fees and renewal license fees required under
175.28 section 326B.092:

175.29 (1) the following licenses shall be considered business licenses: plumbing contractor
175.30 and restricted plumbing contractor;

175.31 (2) the following licenses shall be considered master licenses: master plumber and
175.32 restricted master plumber;

175.33 (3) the following licenses shall be considered journeyman licenses: journeyman
175.34 plumber and restricted journeyman plumber; and

176.1 (4) the registration of an unlicensed individual under section 326B.47, subdivision 3,
176.2 shall be considered an entry level license.

176.3 (e) For each filing of a certificate of responsible individual by an employer, the
176.4 fee is \$100.

176.5 (f) The commissioner shall charge each person giving bond under section 326B.46,
176.6 subdivision 2, paragraph (b), a biennial bond filing fee of \$100, unless the person is a
176.7 licensed contractor.

176.8 ARTICLE 9

176.9 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL HOUSEKEEPING

176.10 Section 1. Minnesota Statutes 2014, section 268.035, subdivision 12, is amended to read:

176.11 Subd. 12. **Covered employment.** (a) "Covered employment" means the following
176.12 unless excluded as "noncovered employment" under subdivision 20:

176.13 (1) an employee's entire employment during the calendar quarter if:

176.14 (i) the employment during the quarter is performed primarily in Minnesota;

176.15 (ii) the employment during the quarter is not performed primarily in Minnesota or
176.16 any other state but some of the employment is performed in Minnesota and the base
176.17 of operations or the place from which the employment is directed or controlled is in
176.18 Minnesota; or

176.19 (iii) the employment during the quarter is not performed primarily in Minnesota
176.20 or any other state and the base of operations or place from which the employment is
176.21 directed or controlled is not in any state where part of the employment is performed, but
176.22 the employee's residence is in Minnesota;

176.23 (2) an employee's entire employment during the calendar quarter performed within
176.24 the United States or Canada, if:

176.25 (i) the employment is not ~~considered~~ covered employment under the unemployment
176.26 insurance program of any other state, federal law, or the law of Canada; and

176.27 (ii) the place from which the employment is directed or controlled is in Minnesota;

176.28 (3) the employment during the calendar quarter, performed entirely outside of the
176.29 United States and Canada, by an employee who is a United States citizen in the employ of
176.30 an American employer if the employer's principal place of business in the United States is
176.31 located in Minnesota. An "American employer," for the purposes of this clause, means a
176.32 corporation organized under the laws of any state, an individual who is a resident of the
176.33 United States, or a partnership if two-thirds or more of the partners are residents of the
176.34 United States, or a trust, if all of the trustees are residents of the United States; and

177.1 (4) all employment during the calendar quarter performed by an officer or member
177.2 of the crew of an American vessel on or in connection with the vessel, if the operating
177.3 office from which the operations of the vessel operating on navigable waters within, or
177.4 within and without, the United States are ordinarily and regularly supervised, managed,
177.5 directed, and controlled is in Minnesota.

177.6 (b) "Covered employment" includes covered agricultural employment under
177.7 subdivision 11.

177.8 (c) For the purposes of ~~satisfying the period of ineligibility under~~ section 268.095,
177.9 ~~subdivision 10~~, "covered employment" includes ~~e~~covered employment covered under an
177.10 unemployment insurance program:

177.11 (1) of any other state; or

177.12 (2) established by an act of Congress.

177.13 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
177.14 matters pending a determination or a decision by an unemployment law judge

177.15 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 29, is amended to read:

177.16 Subd. 29. **Wages.** (a) "Wages" means all compensation for employment, including
177.17 commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and
177.18 holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by
177.19 a customer of an employer and accounted for by the employee to the employer; sickness
177.20 and accident disability payments, except as otherwise provided in this subdivision; and
177.21 the cash value of housing, utilities, meals, exchanges of services, and any other goods
177.22 and services provided to compensate an employee, except:

177.23 (1) the amount of any payment made to, or on behalf of, an employee under a plan
177.24 established by an employer that makes provision for employees generally or for a class or
177.25 classes of employees, including any amount paid by an employer for insurance or annuities,
177.26 or into a plan, to provide for a payment, on account of (i) retirement or (ii) medical and
177.27 hospitalization expenses in connection with sickness or accident disability, or (iii) death;

177.28 (2) the payment by an employer of the tax imposed upon an employee under United
177.29 States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect
177.30 to compensation paid to an employee for domestic employment in a private household of
177.31 the employer or for agricultural employment;

177.32 (3) any payment made to, or on behalf of, an employee or beneficiary (i) from or
177.33 to a trust described in United States Code, title 26, section 401(a) of the federal Internal
177.34 Revenue Code, that is exempt from tax under section 501(a) at the time of the payment
177.35 unless the payment is made to an employee of the trust as compensation for services as an

178.1 employee and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at
178.2 the time of the payment, is a plan described in section 403(a);

178.3 (4) the value of any special discount or markdown allowed to an employee on goods
178.4 purchased from or services supplied by the employer where the purchases are optional and
178.5 do not constitute regular or systematic payment for services;

178.6 (5) customary and reasonable directors' fees paid to individuals who are not
178.7 otherwise employed by the corporation of which they are directors;

178.8 (6) the payment to employees for reimbursement of meal expenses when employees
178.9 are required to perform work after their regular hours;

178.10 (7) the payment into a trust or plan for purposes of providing legal or dental services
178.11 if provided for all employees generally or for a class or classes of employees;

178.12 (8) the value of parking facilities provided or paid for by an employer, in whole or in
178.13 part, if provided for all employees generally or for a class or classes of employees;

178.14 (9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral,
178.15 or other right;

178.16 (10) advances or reimbursements for traveling or other bona fide ordinary and
178.17 necessary expenses incurred or reasonably expected to be incurred in the business of the
178.18 employer. Traveling and other reimbursed expenses must be identified either by making
178.19 separate payments or by specifically indicating the separate amounts where both wages
178.20 and expense allowances are combined in a single payment;

178.21 (11) residual payments to radio, television, and similar artists that accrue after
178.22 the production of television commercials, musical jingles, spot announcements, radio
178.23 transcriptions, film sound tracks, and similar activities;

178.24 (12) the income to a former employee resulting from the exercise of a nonqualified
178.25 stock option;

178.26 (13) ~~payments made to supplement~~ supplemental unemployment ~~benefits~~ benefit
178.27 payments under a plan established by an employer, ~~that makes provisions for employees~~
178.28 ~~generally or for a class or classes of employees under the written terms of an agreement,~~
178.29 ~~contract, trust arrangement, or other instrument~~ if the payment is not wages under the
178.30 Federal Unemployment Tax Act. The plan must provide supplemental payments are
178.31 wages unless made solely for the supplementing of weekly state or federal unemployment
178.32 benefits. ~~The plan must provide supplemental payments only for those weeks the applicant~~
178.33 ~~has been paid regular, extended, or additional unemployment benefits. The supplemental~~
178.34 ~~payments, when combined with the applicant's weekly unemployment benefits paid, may~~
178.35 ~~not exceed the applicant's regular weekly pay. The plan must not allow the assignment~~
178.36 ~~of Supplemental~~ unemployment benefit payments or provide for any type of additional

179.1 ~~payment. The plan must not require~~ may not be assigned, nor may any consideration be
179.2 required from the applicant, other than a release of claims,~~and must not be designed for~~
179.3 ~~the purpose of avoiding the payment of Social Security obligations, or unemployment~~
179.4 ~~taxes on money disbursed from the plan~~ in order to be excluded from wages;

179.5 (14) sickness or accident disability payments made by the employer after the
179.6 expiration of six calendar months following the last calendar month that the individual
179.7 worked for the employer;

179.8 (15) disability payments made under the provisions of any workers' compensation
179.9 law;

179.10 (16) sickness or accident disability payments made by a third-party payer such as
179.11 an insurance company; or

179.12 (17) payments made into a trust fund, or for the purchase of insurance or an annuity,
179.13 to provide for sickness or accident disability payments to employees under a plan or
179.14 system established by the employer that provides for the employer's employees generally
179.15 or for a class or classes of employees.

179.16 (b) Nothing in this subdivision excludes from the term "wages" any payment
179.17 made under any type of salary reduction agreement, including payments made under a
179.18 cash or deferred arrangement and cafeteria plan, as defined in United States Code, title
179.19 26, sections 401(k) and 125 of the federal Internal Revenue Code, to the extent that the
179.20 employee has the option to receive the payment in cash.

179.21 (c) Wages includes the total payment to the operator and supplier of a vehicle or
179.22 other equipment where the payment combines compensation for personal services as well
179.23 as compensation for the cost of operating and hiring the equipment in a single payment.

179.24 This paragraph does not apply if:

179.25 (1) there is a preexisting written agreement providing for allocation of specific
179.26 amounts; or

179.27 (2) at the time of each payment there is a written ~~acknowledgement~~ acknowledgment
179.28 indicating the separate allocated amounts.

179.29 (d) Wages includes payments made for services as a caretaker. Unless there is a
179.30 contract or other proof to the contrary, compensation is considered as being equally
179.31 received by a married couple where the employer makes payment to only one spouse, or
179.32 by all tenants of a household who perform services where two or more individuals share
179.33 the same dwelling and the employer makes payment to only one individual.

179.34 (e) Wages includes payments made for services by a migrant family. Where services
179.35 are performed by a married couple or a family and an employer makes payment to only

180.1 one individual, each worker is considered as having received an equal share of the
180.2 compensation unless there is a contract or other proof to the contrary.

180.3 (f) Wages includes advances or draws against future earnings, when paid, unless
180.4 the payments are designated as a loan or return of capital on the books of the employer
180.5 at the time of payment.

180.6 (g) Wages includes payments made by a subchapter "S" corporation, as organized
180.7 under the Internal Revenue Code, to or on behalf of officers and shareholders that are
180.8 reasonable compensation for services performed for the corporation.

180.9 For a subchapter "S" corporation, wages does not include:

180.10 (1) a loan for business purposes to an officer or shareholder evidenced by a
180.11 promissory note signed by an officer before the payment of the loan proceeds and recorded
180.12 on the books and records of the corporation as a loan to an officer or shareholder;

180.13 (2) a repayment of a loan or payment of interest on a loan made by an officer to the
180.14 corporation and recorded on the books and records of the corporation as a liability;

180.15 (3) a reimbursement of reasonable corporation expenses incurred by an officer and
180.16 documented by a written expense voucher and recorded on the books and records of
180.17 the corporation as corporate expenses; and

180.18 (4) a reasonable lease or rental payment to an officer who owns property that is
180.19 leased or rented to the corporation.

180.20 Sec. 3. Minnesota Statutes 2015 Supplement, section 268.085, subdivision 2, is
180.21 amended to read:

180.22 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
180.23 any week:

180.24 (1) that occurs before the effective date of a benefit account;

180.25 (2) that the applicant, at ~~the beginning of~~ any time during the week, has an
180.26 outstanding fraud overpayment balance under section 268.18, subdivision 2, including
180.27 any penalties and interest;

180.28 (3) that occurs in a period when the applicant is a student in attendance at, or on
180.29 vacation from a secondary school including the period between academic years or terms;

180.30 (4) that the applicant is incarcerated or performing court-ordered community service.

180.31 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
180.32 the applicant is incarcerated or performing court-ordered community service;

180.33 (5) that the applicant fails or refuses to provide information on an issue of
180.34 ineligibility required under section 268.101;

181.1 (6) that the applicant is performing services 32 hours or more, in employment,
181.2 covered employment, noncovered employment, volunteer work, or self-employment
181.3 regardless of the amount of any earnings; or

181.4 (7) with respect to which the applicant has filed an application for unemployment
181.5 benefits under any federal law or the law of any other state. If the appropriate agency
181.6 finally determines that the applicant is not entitled to establish a benefit account under
181.7 federal law or the law of any other state, this clause does not apply.

181.8 Sec. 4. Minnesota Statutes 2014, section 268.0865, subdivision 3, is amended to read:

181.9 Subd. 3. **Continued request for unemployment benefits by electronic**
181.10 **transmission.** (a) A continued request for unemployment benefits by electronic
181.11 transmission must be filed to that electronic mail address, telephone number, or Internet
181.12 address prescribed by the commissioner for that applicant. In order to constitute a
181.13 continued request, all information asked for, including information authenticating that the
181.14 applicant is sending the transmission, must be provided in the format required. If all of the
181.15 information asked for is not provided, the communication does not constitute a continued
181.16 request for unemployment benefits.

181.17 (b) The continued request by electronic transmission communication must be filed
181.18 within four calendar weeks following the week for which payment is requested on the
181.19 date day of the week and during the time of day designated for the applicant ~~for filing a~~
181.20 ~~continued request by electronic transmission.~~

181.21 (c) ~~If the electronic transmission continued request is not filed as required under~~
181.22 ~~paragraph (b), a continued request by electronic transmission must be accepted if the~~
181.23 ~~applicant files the continued request by electronic transmission within three calendar~~
181.24 ~~weeks following the week for which payment is requested. If the continued request by~~
181.25 ~~electronic transmission is not filed within three~~ four ~~calendar weeks following the week~~
181.26 ~~for which payment is requested, the electronic continued request will not be accepted~~
181.27 ~~and the applicant is ineligible for unemployment benefits for the period covered by the~~
181.28 ~~continued request, unless the applicant shows good cause for failing to file the continued~~
181.29 ~~request by electronic transmission within the time period required.~~

181.30 Sec. 5. Minnesota Statutes 2014, section 268.0865, subdivision 4, is amended to read:

181.31 Subd. 4. **Continued request for unemployment benefits by mail.** (a) A
181.32 continued request for unemployment benefits by mail must be on a form prescribed by
181.33 the commissioner. The form, in order to constitute a continued request, must be totally
181.34 completed and signed by the applicant. The form must be filed by mail, in an envelope

182.1 with postage prepaid, and sent to the address designated ~~during the week following the~~
182.2 ~~week for which payment is requested.~~

182.3 ~~(b) If the mail continued request for unemployment benefits is not filed as required~~
182.4 ~~under paragraph (a), a continued request must be accepted if the form is filed by mail~~
182.5 ~~within ~~three~~ four calendar weeks following the week for which payment is requested.~~

182.6 (b) If the continued request form is not filed within ~~three~~ four calendar weeks
182.7 following the week for which payment is requested, the form will not be accepted and the
182.8 applicant is ineligible for unemployment benefits ~~for the period covered by the continued~~
182.9 ~~request for unemployment benefits~~, unless the applicant shows good cause for failing to
182.10 file the form by mail within the time period required.

182.11 (c) If the applicant has been designated to file a continued request for unemployment
182.12 benefits by mail, an applicant may submit the form by facsimile transmission within
182.13 ~~three~~ four calendar weeks following the week for which payment is requested. A form
182.14 submitted by facsimile transmission must be sent only to the telephone number assigned
182.15 for that purpose.

182.16 (d) An applicant who has been designated to file a continued request by mail may
182.17 personally deliver a continued request form only to the location to which the form was
182.18 otherwise designated to be mailed.

182.19 Sec. 6. Minnesota Statutes 2014, section 268.095, subdivision 2, is amended to read:

182.20 Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end
182.21 the employment was, at the time the employment ended, the employee's.

182.22 (b) When determining if an applicant quit, the theory of a constructive quit does
182.23 not apply.

182.24 ~~(b)~~ (c) An employee who has been notified that the employee will be discharged in
182.25 the future, who chooses to end the employment while employment in any capacity is still
182.26 available, ~~is considered to have~~ has quit the employment.

182.27 ~~(e)~~ (d) An employee who seeks to withdraw a previously submitted notice of quitting
182.28 ~~is considered to have~~ has quit the employment, as of the intended date of quitting, if the
182.29 employer does not agree that the notice may be withdrawn.

182.30 ~~(d)~~ (e) An applicant ~~who has quit employment with a staffing service if~~, within
182.31 five calendar days after completion of a suitable job assignment from a staffing service,
182.32 the applicant:

182.33 (1) fails without good cause to affirmatively request an additional suitable job
182.34 assignment;₂

182.35 (2) refuses without good cause an additional suitable job assignment offered;₂ or

183.1 (3) accepts employment with the client of the staffing service, ~~is considered to have~~
183.2 ~~quit employment with the staffing service.~~ Accepting employment with the client of the
183.3 staffing service meets the requirements of the exception to ineligibility under subdivision
183.4 1, clause (2).

183.5 This paragraph applies only if, at the time of beginning of employment with the
183.6 staffing service, the applicant signed and was provided a copy of a separate document
183.7 written in clear and concise language that informed the applicant of this paragraph and
183.8 that unemployment benefits may be affected.

183.9 For purposes of this paragraph, "good cause" is a reason that ~~is significant and~~ would
183.10 compel an average, reasonable worker, who would otherwise want an additional suitable
183.11 job assignment with the staffing service (1) to fail to contact the staffing service, or (2)
183.12 to refuse an offered assignment.

183.13 Sec. 7. Minnesota Statutes 2014, section 268.095, subdivision 5, is amended to read:

183.14 Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any
183.15 words or actions by an employer would lead a reasonable employee to believe that the
183.16 employer will no longer allow the employee to work for the employer in any capacity. A
183.17 layoff because of lack of work is ~~considered~~ a discharge. A suspension from employment
183.18 without pay of more than 30 calendar days is ~~considered~~ a discharge.

183.19 (b) When determining if an applicant was discharged, the theory of a constructive
183.20 discharge does not apply.

183.21 ~~(b)~~ (c) An employee who gives notice of intention to quit the employment and is not
183.22 allowed by the employer to work the entire notice period is ~~considered~~ discharged from
183.23 the employment as of the date the employer will no longer allow the employee to work. If
183.24 the discharge occurs within 30 calendar days before the intended date of quitting, then,
183.25 as of the intended date of quitting, the separation from employment is ~~considered~~ a quit
183.26 from employment subject to subdivision 1.

183.27 ~~(e)~~ (d) The end of a job assignment with the client of a staffing service is ~~considered~~
183.28 a discharge from employment with the staffing service unless subdivision 2, paragraph
183.29 (d), applies.

183.30 Sec. 8. Minnesota Statutes 2014, section 268.18, is amended to read:

183.31 **268.18 UNEMPLOYMENT BENEFIT OVERPAYMENTS.**

183.32 Subdivision 1. **Nonfraud Repaying an overpayment.** (a) Any applicant who (1)
183.33 because of a determination or amended determination issued under section 268.07 or
183.34 268.101, or any other section of this chapter, or (2) because of an unemployment law

184.1 judge's decision under section 268.105, has received any unemployment benefits that the
184.2 applicant was held not entitled to, is overpaid the benefits, and must promptly repay the
184.3 unemployment benefits to the trust fund.

184.4 (b) If the applicant fails to repay the unemployment benefits overpaid, ~~the~~
184.5 ~~commissioner may offset from any future unemployment benefits otherwise payable the~~
184.6 ~~amount of the overpayment. Except when the overpayment resulted because the applicant~~
184.7 ~~failed to report deductible earnings or deductible or benefit delaying payments, no single~~
184.8 ~~offset may exceed 50 percent of the amount of the payment from which the offset is made.~~
184.9 The overpayment may also including any penalty and interest assessed under subdivisions
184.10 2 and 2b, the total due may be collected by the methods allowed under state and federal law.

184.11 (c) ~~If an applicant has been overpaid unemployment benefits under the law of~~
184.12 ~~another state, because of a reason other than fraud, and that state certifies that the applicant~~
184.13 ~~is liable under its law to repay the unemployment benefits and requests the commissioner~~
184.14 ~~to recover the overpayment, the commissioner may offset from future unemployment~~
184.15 ~~benefits otherwise payable the amount of overpayment, except that no single offset may~~
184.16 ~~exceed 50 percent of the amount of the payment from which the offset is made.~~

184.17 **Subd. 2. Overpayment because of fraud.** (a) ~~Any~~ An applicant who receives has
184.18 committed fraud if the applicant is overpaid unemployment benefits by:

184.19 (1) knowingly misrepresenting, misstating, or failing to disclose any material fact;
184.20 or who makes

184.21 (2) making a false statement or representation without a good faith belief as to the
184.22 correctness of the statement or representation, ~~has committed fraud.~~

184.23 After the discovery of facts indicating fraud, the commissioner must make issue a
184.24 determination that the applicant obtained unemployment benefits by fraud and that the
184.25 applicant must promptly repay the unemployment benefits to the trust fund. In addition, the
184.26 commissioner must assess of overpayment penalty assessing a penalty equal to 40 percent
184.27 of the amount fraudulently obtained overpaid. This penalty is in addition to penalties under
184.28 section 268.182. ~~The determination is effective the Sunday of the week that it was issued.~~

184.29 (b) Unless the applicant files an appeal within 20 calendar days after the sending of
184.30 the a determination of overpayment by fraud penalty to the applicant by mail or electronic
184.31 transmission, the determination is final. Proceedings on the appeal are conducted in
184.32 accordance with section 268.105.

184.33 (c) ~~If the applicant fails to repay the unemployment benefits, penalty, and interest~~
184.34 ~~assessed, the total due may be collected by the methods allowed under state and federal~~
184.35 ~~law. A determination of overpayment by fraud~~ penalty must state the methods of collection
184.36 the commissioner may use to recover the overpayment, penalty, and interest assessed.

185.1 Money received in repayment of ~~fraudulently obtained~~ overpaid unemployment benefits,
185.2 penalties, and interest is first applied to the ~~unemployment~~ benefits overpaid, then to the
185.3 penalty amount due, then to any interest due. 62.5 percent of the payments made toward the
185.4 penalty are credited to the contingent account and 37.5 percent credited to the trust fund.

185.5 ~~(d) If an applicant has been overpaid unemployment benefits under the law of~~
185.6 ~~another state because of fraud and that state certifies that the applicant is liable to repay~~
185.7 ~~the unemployment benefits and requests the commissioner to recover the overpayment,~~
185.8 ~~the commissioner may offset from future unemployment benefits otherwise payable the~~
185.9 ~~amount of overpayment.~~

185.10 ~~(e) Regardless of the limitations in section 268.101, subdivision 2, paragraph~~
185.11 ~~(e), unemployment benefits paid for weeks more than four years before the date of (d)~~
185.12 A determination of overpayment by ~~fraud~~ issued penalty under this subdivision are
185.13 ~~not considered overpaid unemployment benefits~~ may be issued within 48 months of
185.14 the establishment of the benefit account upon which the unemployment benefits were
185.15 obtained through fraud.

185.16 Subd. 2b. **Interest.** On any unemployment benefits fraudulently obtained, and any
185.17 penalty amounts assessed under subdivision 2, the commissioner must assess interest at the
185.18 rate of one percent per month on any amount that remains unpaid beginning 30 calendar
185.19 days after the date of ~~the~~ a determination of overpayment by fraud penalty. A determination
185.20 of overpayment by ~~fraud~~ penalty must state that interest will be assessed. Interest is
185.21 assessed in the same manner as on employer debt under section 268.057, subdivision 5.
185.22 Interest payments collected under this subdivision are credited to the trust fund.

185.23 Subd. 3a. **Offset of federal unemployment benefits.** ~~The commissioner is~~
185.24 ~~authorized to enter into reciprocal agreements with the United States Secretary of Labor,~~
185.25 ~~whereby, (a) The commissioner may offset from any future unemployment benefits~~
185.26 otherwise payable the amount of a nonfraud overpayment. Except when the nonfraud
185.27 overpayment resulted because the applicant failed to report deductible earnings or
185.28 deductible or benefit delaying payments, no single offset may exceed 50 percent of the
185.29 amount of the payment from which the offset is made.

185.30 (b) Overpayments of unemployment benefits as determined under a federal law
185.31 program, may be recovered by offset from unemployment future benefits otherwise
185.32 payable and.

185.33 (c) If an applicant has been overpaid unemployment benefits under the law of
185.34 another state, the commissioner may offset from future benefits otherwise payable the
185.35 amount of overpayment.

186.1 (d) Nonfraud unemployment benefit overpayments ~~under subdivisions 1 and 2~~
186.2 may be recovered by offset from ~~unemployment~~ future benefits otherwise payable under
186.3 a federal program.

186.4 Subd. 4. **Cancellation of overpayments.** (a) If unemployment benefits overpaid
186.5 ~~under subdivision 1~~ for reasons other than fraud are not repaid or offset from subsequent
186.6 ~~unemployment~~ benefits ~~as provided for in subdivision 1~~ within six years after the date
186.7 of the determination or decision holding the applicant overpaid, the commissioner must
186.8 cancel the overpayment balance, and no administrative or legal proceedings may be used
186.9 to enforce collection of those amounts.

186.10 (b) If unemployment benefits ~~determined~~ overpaid ~~under subdivision 2~~ because of
186.11 fraud including penalties and interest are not repaid within ten years after the date of
186.12 the determination of overpayment ~~by fraud penalty~~, the commissioner must cancel the
186.13 overpayment balance and any penalties and interest due, and no administrative or legal
186.14 proceeding may be used to enforce collection of those amounts.

186.15 (c) The commissioner may cancel at any time any overpayment, including penalties
186.16 and interest, that the commissioner determines is uncollectible because of death or
186.17 bankruptcy.

186.18 Subd. 4a. **Court fees; collection fees.** (a) If the ~~commissioner~~ department
186.19 is required to pay any court fees in an attempt to enforce collection of overpaid
186.20 unemployment benefits, penalties, or interest, ~~the commissioner may add~~ the amount of
186.21 the court fees may be added to the total amount due.

186.22 (b) If an applicant who has been ~~determined~~ overpaid unemployment benefits
186.23 because of fraud seeks to have any portion of the debt discharged under the federal
186.24 bankruptcy code, and the ~~commissioner~~ department files an objection in bankruptcy court
186.25 to the discharge, the ~~commissioner may add the commissioner's~~ cost of any court fees may
186.26 be added to the debt if the bankruptcy court does not discharge the debt.

186.27 (c) If the Internal Revenue Service assesses the ~~commissioner~~ department a fee for
186.28 offsetting from a federal tax refund the amount of any overpayment, including penalties
186.29 and interest, the amount of the fee may be added to the total amount due. The offset
186.30 amount must be put in the trust fund and that amount credited to the total amount due
186.31 from the applicant.

186.32 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of
186.33 unemployment benefits, including any penalties and interest, is not considered an election
186.34 of a method of recovery.

186.35 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation
186.36 matter under section 176.361 is not considered an election of a remedy and does not

187.1 prevent the commissioner from determining any unemployment benefits overpaid under
187.2 subdivision 1 or 2 or taking action under section 268.182.

187.3 Subd. 6. **Collection of overpayments.** (a) The commissioner may not compromise
187.4 the amount ~~that has been determined of any overpaid under this section~~ unemployment
187.5 benefits including penalties and interest.

187.6 (b) The commissioner has discretion regarding the recovery of any overpayment
187.7 ~~under subdivision 1~~ for reasons other than fraud. Regardless of any law to the contrary, the
187.8 commissioner is not required to refer any ~~amount determined overpaid under subdivision~~
187.9 ~~1~~ overpayment for reasons other than fraud to a public or private collection agency,
187.10 including agencies of this state.

187.11 (c) Amounts ~~determined overpaid under subdivision 1~~ for reasons other than fraud
187.12 are not considered a "debt" to the state of Minnesota for purposes of any reporting
187.13 requirements to the commissioner of management and budget.

187.14 (d) A pending appeal under section 268.105 does not suspend the assessment of
187.15 interest, penalties, or collection of an overpayment ~~under this section~~.

187.16 (e) Section 16A.626 applies to the repayment by an applicant of any overpayment,
187.17 penalty, or interest ~~under this section~~.

187.18 Sec. 9. Laws 2015, First Special Session chapter 1, article 6, section 16, the effective
187.19 date, is amended to read:

187.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
187.21 is retroactive to March 1, 2015. This section expires on ~~June 1, 2016~~ December 1, 2016.

187.22 **EFFECTIVE DATE.** This section is effective the day following final enactment
187.23 and applies retroactively to March 1, 2015.

187.24 Sec. 10. **EFFECTIVE DATE.**

187.25 This article is effective July 31, 2016, unless indicated otherwise.

187.26 **ARTICLE 10**

187.27 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL TECHNICAL**

187.28 Section 1. Minnesota Statutes 2014, section 268.035, is amended by adding a
187.29 subdivision to read:

187.30 Subd. 12e. **Earnings.** "Earnings" means all compensation to which the applicant has
187.31 a legal claim and is earned income under state and federal law for income tax purposes.

188.1 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 20, is amended to read:

188.2 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

188.3 (1) employment for the United States government or an instrumentality thereof,
188.4 including military service;

188.5 (2) employment for a state, other than Minnesota, or a political subdivision or
188.6 instrumentality thereof;

188.7 (3) employment for a foreign government;

188.8 ~~(4) employment for an instrumentality wholly owned by a foreign government,~~
188.9 ~~if the employment is of a character similar to that performed in foreign countries by~~
188.10 ~~employees of the United States government or an instrumentality thereof and the United~~
188.11 ~~States Secretary of State has certified that the foreign government grants an equivalent~~
188.12 ~~exemption to similar employment performed in the foreign country by employees of the~~
188.13 ~~United States government and instrumentalities thereof;~~

188.14 ~~(5) (4) employment covered under United States Code, title 45, section 351, the~~
188.15 ~~federal Railroad Unemployment Insurance Act;~~

188.16 ~~(6) employment covered by a reciprocal arrangement between the commissioner and~~
188.17 ~~another state or the federal government that provides that all employment performed by an~~
188.18 ~~individual for an employer during the period covered by the reciprocal arrangement is~~
188.19 ~~considered performed entirely within another state;~~

188.20 ~~(7) (5) employment for a church or convention or association of churches, or an~~
188.21 ~~a nonprofit organization operated primarily for religious purposes that is operated,~~
188.22 ~~supervised, controlled, or principally supported by a church or convention or association~~
188.23 ~~of churches described in United States Code, title 26, section 501(e)(3) of the federal~~
188.24 ~~Internal Revenue Code and exempt from income tax under section 501(a);~~

188.25 ~~(8) (6) employment for Minnesota or a political subdivision, or a nonprofit~~
188.26 ~~organization, of a duly ordained or licensed minister of a church in the exercise of a~~
188.27 ~~ministry or by a member of a religious order in the exercise of duties required by the order,~~
188.28 ~~for Minnesota or a political subdivision or an organization described in United States~~
188.29 ~~Code, title 26, section 501(e)(3) of the federal Internal Revenue Code and exempt from~~
188.30 ~~income tax under section 501(a);~~

188.31 ~~(9) (7) employment for Minnesota or a political subdivision, or a nonprofit~~
188.32 ~~organization, of an individual receiving rehabilitation of "sheltered" work in a facility~~
188.33 ~~conducted for the purpose of carrying out a program of rehabilitation for individuals~~
188.34 ~~whose earning capacity is impaired by age or physical or mental deficiency or injury or a~~
188.35 ~~program providing "sheltered" work for individuals who because of an impaired physical~~
188.36 ~~or mental capacity cannot be readily absorbed in the competitive labor market. This~~

189.1 clause applies only to services performed ~~for Minnesota or a political subdivision or an~~
189.2 ~~organization described in United States Code, title 26, section 501(e)(3) of the federal~~
189.3 ~~Internal Revenue Code and exempt from income tax under section 501(a)~~ in a facility
189.4 certified by the Rehabilitation Services Branch of the department or in a day training or
189.5 habilitation program licensed by the Department of Human Services;

189.6 ~~(10)~~ (8) employment for Minnesota or a political subdivision, or a nonprofit
189.7 organization, of an individual receiving work relief or work training as part of an
189.8 unemployment work relief or work training program assisted or financed in whole or
189.9 in part by any federal agency or an agency of a state or political subdivision thereof.
189.10 ~~This clause applies only to employment for Minnesota or a political subdivision or an~~
189.11 ~~organization described in United States Code, title 26, section 501(e)(3) of the federal~~
189.12 ~~Internal Revenue Code and exempt from income tax under section 501(a).~~ This clause does
189.13 not apply to programs that require unemployment benefit coverage for the participants;

189.14 ~~(11)~~ (9) employment for Minnesota or a political subdivision, as an elected official, a
189.15 member of a legislative body, or a member of the judiciary;

189.16 ~~(12)~~ (10) employment as a member of the Minnesota National Guard or Air National
189.17 Guard;

189.18 ~~(13)~~ (11) employment for Minnesota, or a political subdivision, or instrumentality
189.19 thereof, as an employee of an individual serving only on a temporary basis in case of
189.20 fire, flood, tornado, or similar emergency;

189.21 ~~(14)~~ (12) employment as an election official or election worker for Minnesota or
189.22 a political subdivision, ~~but only~~ if the compensation for that employment was less than
189.23 \$1,000 in a calendar year;

189.24 ~~(15)~~ (13) employment for Minnesota that is a major policy-making or advisory
189.25 position in the unclassified service;

189.26 ~~(16)~~ (14) employment for Minnesota in an unclassified position established under
189.27 section 43A.08, subdivision 1a;

189.28 ~~(17)~~ (15) employment for a political subdivision of Minnesota that is a nontenured
189.29 major policy making or advisory position;

189.30 ~~(18)~~ (16) domestic employment in a private household, local college club, or local
189.31 chapter of a college fraternity or sorority ~~performed for a person, only,~~
189.32 in any calendar quarter in either the current or prior calendar year to all individuals in
189.33 domestic employment totaled less than \$1,000.

189.34 "Domestic employment" includes all service in the operation and maintenance of a
189.35 private household, for a local college club, or local chapter of a college fraternity or

190.1 sorority as distinguished from service as an employee in the pursuit of an employer's
190.2 trade or business;

190.3 ~~(19)~~ (17) employment of an individual by a son, daughter, or spouse, and
190.4 employment of a child under the age of 18 by the child's father or mother;

190.5 ~~(20)~~ (18) employment of an inmate of a custodial or penal institution;

190.6 ~~(21)~~ (19) employment for a school, college, or university, by a student who is
190.7 enrolled and whose primary relation to the school, college, or university is as a student.

190.8 This does not include an individual whose primary relation to the school, college, or
190.9 university is as an employee who also takes courses;

190.10 ~~(22)~~ (20) employment of an individual who is enrolled as a student in a full-time
190.11 program at a nonprofit or public educational institution that maintains a regular faculty
190.12 and curriculum and has a regularly organized body of students in attendance at the place
190.13 where its educational activities are carried on, taken for credit at the institution, that
190.14 combines academic instruction with work experience, if the employment is an integral
190.15 part of the program, and the institution has so certified to the employer, except that this
190.16 clause does not apply to employment in a program established for or on behalf of an
190.17 employer or group of employers;

190.18 ~~(23)~~ (21) employment of university, college, or professional school students in an
190.19 internship or other training program with the city of St. Paul or the city of Minneapolis
190.20 under Laws 1990, chapter 570, article 6, section 3;

190.21 ~~(24)~~ (22) employment for a hospital by a patient of the hospital. "Hospital" means
190.22 an institution that has been licensed by the Department of Health as a hospital;

190.23 ~~(25)~~ (23) employment as a student nurse for a hospital or a nurses' training school by
190.24 an individual who is enrolled and is regularly attending classes in an accredited nurses'
190.25 training school;

190.26 ~~(26)~~ (24) employment as an intern for a hospital by an individual who has completed
190.27 a four-year course in an accredited medical school;

190.28 ~~(27)~~ (25) employment as an insurance salesperson, by other than a corporate
190.29 officer, if all the wages from the employment is solely by way of commission. The word
190.30 "insurance" includes an annuity and an optional annuity;

190.31 ~~(28)~~ (26) employment as an officer of a township mutual insurance company or
190.32 farmer's mutual insurance company ~~operating~~ under chapter 67A;

190.33 ~~(29)~~ (27) employment of a corporate officer, if the officer directly or indirectly,
190.34 including through a subsidiary or holding company, owns 25 percent or more of the
190.35 employer corporation, and employment of a member of a limited liability company, if the

191.1 member directly or indirectly, including through a subsidiary or holding company, owns
191.2 25 percent or more of the employer limited liability company;

191.3 ~~(30)~~ (28) employment as a real estate salesperson, ~~by~~ other than a corporate officer,
191.4 if all the wages from the employment is solely by way of commission;

191.5 ~~(31)~~ (29) employment as a direct seller as defined in United States Code, title 26,
191.6 section 3508;

191.7 ~~(32)~~ (30) employment of an individual under the age of 18 in the delivery or
191.8 distribution of newspapers or shopping news, not including delivery or distribution to any
191.9 point for subsequent delivery or distribution;

191.10 ~~(33)~~ (31) casual employment performed for an individual, other than domestic
191.11 employment under clause ~~(18)~~ (16), that does not promote or advance that employer's
191.12 trade or business;

191.13 ~~(34)~~ (32) employment in "agricultural employment" unless ~~considered~~ it is "covered
191.14 agricultural employment" under subdivision 11; or

191.15 ~~(35)~~ (33) if employment during one-half or more of any pay period was covered
191.16 employment, all the employment for the pay period is ~~considered~~ covered employment;
191.17 but if during more than one-half of any pay period the employment was noncovered
191.18 employment, then all of the employment for the pay period is ~~considered~~ noncovered
191.19 employment. "Pay period" means a period of not more than a calendar month for which a
191.20 payment or compensation is ordinarily made to the employee by the employer.

191.21 Sec. 3. Minnesota Statutes 2014, section 268.035, is amended by adding a subdivision
191.22 to read:

191.23 Subd. 20b. **Nonprofit organization.** "Nonprofit organization" means an
191.24 organization described in United States Code, title 26, section 501(c)(3), and is exempt
191.25 from income tax under section 501(a).

191.26 Sec. 4. Minnesota Statutes 2014, section 268.035, subdivision 23a, is amended to read:

191.27 Subd. 23a. **Suitable employment.** (a) Suitable employment means employment in
191.28 the applicant's labor market area that is reasonably related to the applicant's qualifications.
191.29 In determining whether any employment is suitable for an applicant, the degree of risk
191.30 involved to the health and safety, physical fitness, prior training, experience, length
191.31 of unemployment, prospects for securing employment in the applicant's customary
191.32 occupation, and the distance of the employment from the applicant's residence is
191.33 considered.

192.1 (b) In determining what is suitable employment, primary consideration is given to the
192.2 temporary or permanent nature of the applicant's separation from employment and whether
192.3 the applicant has favorable prospects of finding employment in the applicant's usual or
192.4 customary occupation at the applicant's past wage level within a reasonable period of time.

192.5 If prospects are unfavorable, employment at lower skill or wage levels is suitable
192.6 if the applicant is reasonably suited for the employment considering the applicant's
192.7 education, training, work experience, and current physical and mental ability.

192.8 The total compensation must be considered, including the wage rate, hours of
192.9 employment, method of payment, overtime practices, bonuses, incentive payments, and
192.10 fringe benefits.

192.11 (c) When potential employment is at a rate of pay lower than the applicant's former
192.12 rate, consideration must be given to the length of the applicant's unemployment and the
192.13 proportion of difference in the rates. Employment that may not be suitable because of
192.14 lower wages during the early weeks of the applicant's unemployment may become suitable
192.15 as the duration of unemployment lengthens.

192.16 (d) For an applicant seasonally unemployed, suitable employment includes
192.17 temporary work in a lower skilled occupation that pays average gross weekly wages equal
192.18 to or more than 150 percent of the applicant's weekly unemployment benefit amount.

192.19 (e) If a majority of the applicant's weeks of employment in the base period includes
192.20 part-time employment, part-time employment in a position with comparable skills and
192.21 comparable hours that pays comparable wages is ~~considered~~ suitable employment.

192.22 Full-time employment is not ~~considered~~ suitable employment for an applicant if a
192.23 majority of the applicant's weeks of employment in the base period includes part-time
192.24 employment.

192.25 (f) To determine suitability of employment in terms of shifts, the arrangement of
192.26 hours in addition to the total number of hours is to be considered. Employment on a
192.27 second, third, rotating, or split shift is suitable employment if it is customary in the
192.28 occupation in the labor market area.

192.29 (g) Employment is not ~~considered~~ suitable if:

192.30 (1) the position offered is vacant because of a labor dispute;

192.31 (2) the wages, hours, or other conditions of employment are ~~substantially~~ less
192.32 favorable than those prevailing for similar employment in the labor market area; or

192.33 (3) as a condition of becoming employed, the applicant would be required to join a
192.34 company union or to resign from or refrain from joining any bona fide labor organization; ~~or~~

192.35 ~~(4) the employment is with a staffing service and less than 25 percent of the~~
192.36 ~~applicant's wage credits are from a job assignment with the client of a staffing service.~~

193.1 (h) A job assignment with a staffing service is ~~considered~~ suitable only if 25
193.2 percent or more of the applicant's wage credits are from job assignments with clients of
193.3 a staffing service and the job assignment meets the definition of suitable employment
193.4 under paragraph (a).

193.5 Sec. 5. Minnesota Statutes 2014, section 268.085, subdivision 4, is amended to read:

193.6 Subd. 4. **Social Security old age insurance benefits.** (a) Any applicant aged 62 or
193.7 over is required to state when filing an application for unemployment benefits and when
193.8 filing continued requests for unemployment benefits if the applicant is receiving, has filed
193.9 for, or intends to file for, primary Social Security old age benefits.

193.10 (b) Unless paragraph ~~(b)~~ (c) applies, 50 percent of the weekly equivalent of the
193.11 primary Social Security old age benefit the applicant has received, has filed for, or
193.12 intends to file for, with respect to that week must be deducted from an applicant's weekly
193.13 unemployment benefit amount.

193.14 ~~(b)~~ (c) If all of the applicant's wage credits were earned while the applicant was
193.15 claiming Social Security old age benefits, there is no deduction of the Social Security
193.16 benefits from the applicant's weekly unemployment benefit amount.

193.17 ~~(e)~~ (d) Information from the Social Security Administration is ~~considered~~ conclusive,
193.18 absent specific evidence showing that the information was erroneous.

193.19 ~~(d)~~ (e) This subdivision does not apply to Social Security survivor benefits.

193.20 Sec. 6. Minnesota Statutes 2014, section 268.085, subdivision 5, is amended to read:

193.21 Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday
193.22 pay, with respect to any week, from employment, covered employment, noncovered
193.23 employment, self-employment, or volunteer work, equal to or in excess of the applicant's
193.24 weekly unemployment benefit amount, the applicant is ineligible for unemployment
193.25 benefits for that week.

193.26 (b) If the applicant has earnings, including holiday pay, with respect to any week,
193.27 that is less than the applicant's weekly unemployment benefit amount, from employment,
193.28 covered employment, noncovered employment, self-employment, or volunteer work, 50
193.29 percent of the earnings are deducted from the weekly unemployment benefit amount.

193.30 (c) No deduction is made from an applicant's weekly unemployment benefit amount
193.31 for earnings from service in the National Guard or a United States military reserve unit or
193.32 from direct service as a volunteer firefighter or volunteer ambulance service personnel.

193.33 This exception to paragraphs (a) and (b) does not apply to on-call or standby pay provided

194.1 to a volunteer firefighter or volunteer ambulance service personnel. No deduction is made
194.2 for jury duty pay or for pay as an election judge.

194.3 (d) The applicant may report deductible earnings on continued requests for
194.4 unemployment benefits at the next lower whole dollar amount.

194.5 (e) Deductible earnings does not include any money ~~considered that is~~ a deductible
194.6 payment under subdivision 3, ~~but includes all compensation considered wages under~~
194.7 ~~section 268.035, subdivision 29, and any other compensation considered earned income~~
194.8 ~~under state and federal law for income tax purposes.~~

194.9 **Sec. 7. REVISOR'S INSTRUCTION.**

194.10 (a) The revisor of statutes shall change "liability" to "liability for damages" in
194.11 Minnesota Rules, part 3315.0555, subpart 1.

194.12 (b) The revisor of statutes shall change "entitled to" to "eligible for" in Minnesota
194.13 Statutes, section 268.085, subdivision 1, clause (6).

194.14 (c) The revisor of statutes shall change "shall calculate" to "must calculate" in
194.15 Minnesota Statutes, section 268.035, subdivision 23.

194.16 (d) The revisor of statutes shall renumber Minnesota Statutes, section 268.035,
194.17 subdivision 12d, to subdivision 12f.

194.18 (e) The revisor of statutes shall reletter the paragraphs in Minnesota Statutes, section
194.19 268.085, subdivision 4, as follows:

194.20 (1) paragraph (a) shall be relettered paragraph (c); and

194.21 (2) paragraph (c) shall be relettered paragraph (a).

194.22 (f) The revisor of statutes shall renumber the reference to "clause (29)" to "clause
194.23 (27)" in Minnesota Statutes, section 268.046, subdivision 1.

194.24 (g) The revisor of statutes shall renumber the reference to "clause (10)" to "clause
194.25 (8)" in Minnesota Statutes, section 383C.19.

194.26 **Sec. 8. EFFECTIVE DATE.**

194.27 This article is effective July 31, 2016, and applies to all matters pending a
194.28 determination or a decision by an unemployment law judge.

194.29 **ARTICLE 11**

194.30 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL POLICY**

194.31 Section 1. Minnesota Statutes 2014, section 268.051, subdivision 5, is amended to read:

194.32 Subd. 5. **Tax rate for new employers.** ~~(a) Each new taxpaying employer that does~~
194.33 ~~not qualify for an experience rating under subdivision 3, except new employers in a high~~

195.1 ~~experience rating industry, must be assigned, for a calendar year, a tax rate the higher of~~
195.2 ~~(1) one percent, or (2) the tax rate computed, to the nearest 1/100 of a percent, by dividing~~
195.3 ~~the total amount of unemployment benefits paid all applicants during the 48 calendar~~
195.4 ~~months ending on June 30 of the prior calendar year by the total taxable wages of all~~
195.5 ~~taxpaying employers during the same period, plus the applicable base tax rate and any~~
195.6 ~~additional assessments under subdivision 2, paragraph (c).~~

195.7 ~~(b) Each new taxpaying employer in a high experience rating industry that does not~~
195.8 ~~qualify for an experience rating under subdivision 3, must be assigned, for a calendar year,~~
195.9 ~~a tax rate the higher of (1) that assigned under paragraph (a), or (2) the tax rate, computed~~
195.10 ~~to the nearest 1/100 of a percent, by dividing the total amount of unemployment benefits~~
195.11 ~~paid to all applicants from high experience rating industry employers during the 48~~
195.12 ~~calendar months ending on June 30 of the prior calendar year by the total taxable wages~~
195.13 ~~of all high experience rating industry employers during the same period, to a maximum~~
195.14 ~~provided for under subdivision 3, paragraph (b), plus the applicable base tax rate and any~~
195.15 ~~additional assessments under subdivision 2, paragraph (c).~~

195.16 ~~(c) An employer is considered to be in a high experience rating industry if:~~

195.17 ~~(1) the employer is engaged in residential, commercial, or industrial construction,~~
195.18 ~~including general contractors;~~

195.19 ~~(2) the employer is engaged in sand, gravel, or limestone mining;~~

195.20 ~~(3) the employer is engaged in the manufacturing of concrete, concrete products,~~
195.21 ~~or asphalt; or~~

195.22 ~~(4) the employer is engaged in road building, repair, or resurfacing, including bridge~~
195.23 ~~and tunnels and residential and commercial driveways and parking lots.~~

195.24 (a) Each new taxpaying employer that does not qualify for an experience rating
195.25 under subdivision 3 must be assigned, for the calendar year, a tax rate equal to the average
195.26 experience rating for the employer's industry, plus the applicable base tax rate and any
195.27 additional assessments under subdivision 2, paragraph (c). The tax rate assigned may not
195.28 be less than one percent.

195.29 (b) The employer's industry, except for construction, is determined by the first two
195.30 digits of the North American Industrial Classification System (NAICS). The construction
195.31 industry is determined to five digits. For each calendar year the commissioner must
195.32 compute, in accordance with subdivision 3, the average industry experience rating for
195.33 the employer's industry.

195.34 ~~(d) (c)~~ Regardless of any law to the contrary, a taxpaying employer must be
195.35 assigned a tax rate under this subdivision if the employer had no taxable wages during the
195.36 experience rating period under subdivision 3.

196.1 (e) (d) The commissioner must send to the new employer, by mail or electronic
196.2 transmission, a determination of tax rate. An employer may appeal the determination of
196.3 tax rate in accordance with ~~the procedures in~~ subdivision 6, paragraph (c).

196.4 **EFFECTIVE DATE.** This section is effective January 1, 2018, and applies to tax
196.5 rates assigned for the calendar year 2018 and thereafter.

196.6 Sec. 2. Minnesota Statutes 2015 Supplement, section 268.07, subdivision 3b, is
196.7 amended to read:

196.8 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
196.9 unemployment benefits is effective the Sunday of the calendar week that the application
196.10 was filed. An application for unemployment benefits may be backdated one calendar week
196.11 before the Sunday of the week the application was actually filed if the applicant requests
196.12 the backdating at within seven calendar days of the time date the application is filed. An
196.13 application may be backdated only if the applicant was unemployed during the period of
196.14 the backdating. If an individual attempted to file an application for unemployment benefits,
196.15 but was prevented from filing an application by the department, the application is effective
196.16 the Sunday of the calendar week the individual first attempted to file an application.

196.17 (b) A benefit account established under subdivision 2 is effective the date the
196.18 application for unemployment benefits was effective.

196.19 (c) A benefit account, once established, may later be withdrawn only if:

196.20 (1) the applicant has not been paid any unemployment benefits on that benefit
196.21 account; and

196.22 (2) a new application for unemployment benefits is filed and a new benefit account is
196.23 established at the time of the withdrawal.

196.24 A determination or amended determination of eligibility or ineligibility issued under
196.25 section 268.101, that was sent before the withdrawal of the benefit account, remains in
196.26 effect and is not voided by the withdrawal of the benefit account.

196.27 (d) An application for unemployment benefits is not allowed before the Sunday
196.28 following the expiration of the benefit year on a prior benefit account. Except as allowed
196.29 under paragraph (c), an applicant may establish only one benefit account each 52 calendar
196.30 weeks. This paragraph applies to benefit accounts established under any federal law or
196.31 the law of any other state.

196.32 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to
196.33 applications for unemployment benefits filed after that date.

197.1 Sec. 3. Minnesota Statutes 2014, section 268.095, subdivision 1, is amended to read:

197.2 Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all
197.3 unemployment benefits according to subdivision 10 except when:

197.4 (1) the applicant quit the employment because of a good reason caused by the
197.5 employer as defined in subdivision 3;

197.6 (2) the applicant quit the employment to accept other covered employment that
197.7 provided substantially equal to or better terms and conditions of employment, but
197.8 the applicant did not work long enough at the second employment to have sufficient
197.9 subsequent earnings wages paid to satisfy the period of ineligibility that would otherwise
197.10 be imposed under subdivision 10 for quitting the first employment;

197.11 (3) the applicant quit the employment within 30 calendar days of beginning the
197.12 employment because and the employment was unsuitable ~~for the applicant~~;

197.13 (4) the employment was unsuitable ~~for the applicant~~ and the applicant quit to enter
197.14 reemployment assistance training;

197.15 (5) the employment was part time and the applicant also had full-time employment
197.16 in the base period, from which full-time employment the applicant separated because of
197.17 reasons for which the applicant ~~was held~~ is not ~~to be~~ ineligible, and the wage credits from
197.18 the full-time employment are sufficient to meet the minimum requirements to establish a
197.19 benefit account under section 268.07;

197.20 (6) the applicant quit because the employer notified the applicant that the applicant
197.21 was going to be laid off because of lack of work within 30 calendar days. An applicant
197.22 who quit employment within 30 calendar days of a notified date of layoff because of lack
197.23 of work is ineligible for unemployment benefits through the end of the week that includes
197.24 the scheduled date of layoff;

197.25 (7) the applicant quit the employment (i) because the applicant's serious illness or
197.26 injury made it medically necessary that the applicant quit; or (ii) in order to provide
197.27 necessary care because of the illness, injury, or disability of an immediate family member
197.28 of the applicant. This exception only applies if the applicant informs the employer of
197.29 the medical problem and requests accommodation and no reasonable accommodation
197.30 is made available.

197.31 If the applicant's serious illness is chemical dependency, this exception does not
197.32 apply if the applicant was previously diagnosed as chemically dependent or had treatment
197.33 for chemical dependency, and since that diagnosis or treatment has failed to make
197.34 consistent efforts to control the chemical dependency.

197.35 This exception raises an issue of the applicant's being available for suitable
197.36 employment under section 268.085, subdivision 1, that the commissioner must determine;

198.1 (8) the applicant's loss of child care for the applicant's minor child caused the
198.2 applicant to quit the employment, provided the applicant made reasonable effort to obtain
198.3 other child care and requested time off or other accommodation from the employer and no
198.4 reasonable accommodation is available.

198.5 This exception raises an issue of the applicant's being available for suitable
198.6 employment under section 268.085, subdivision 1, that the commissioner must determine;

198.7 (9) the applicant quit because domestic abuse, sexual assault, or stalking of the
198.8 applicant or an immediate family member of the applicant, necessitated the applicant's
198.9 quitting the employment.

198.10 For purposes of this subdivision:

198.11 (i) "domestic abuse" has the meaning given in section 518B.01;

198.12 (ii) "sexual assault" means an act that would constitute a violation of sections
198.13 609.342 to 609.3453 or 609.352; and

198.14 (iii) "stalking" means an act that would constitute a violation of section 609.749; or

198.15 (10) the applicant quit in order to relocate to accompany a spouse;

198.16 (1) who is in the military; or

198.17 (2) whose job was transferred by the spouse's employer to a new location changed
198.18 making it impractical for the applicant to commute.

198.19 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
198.20 matters pending a determination or a decision by an unemployment law judge.

198.21 Sec. 4. Minnesota Statutes 2014, section 268.101, subdivision 2, is amended to read:

198.22 Subd. 2. **Determination.** (a) The commissioner must determine any issue of
198.23 ineligibility raised by information required from an applicant under subdivision 1,
198.24 paragraph (a) or (c), and send to the applicant and any involved employer, by mail or
198.25 electronic transmission, a document titled a determination of eligibility or a determination
198.26 of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result
198.27 of a quit or a discharge of the applicant must state the effect on the employer under section
198.28 268.047. A determination must be made in accordance with this paragraph even if a
198.29 notified employer has not raised the issue of ineligibility.

198.30 (b) The commissioner must determine any issue of ineligibility raised by an
198.31 employer and send to the applicant and that employer, by mail or electronic transmission,
198.32 a document titled a determination of eligibility or a determination of ineligibility as is
198.33 appropriate. The determination on an issue of ineligibility as a result of a quit or discharge
198.34 of the applicant must state the effect on the employer under section 268.047.

198.35 If a base period employer:

199.1 (1) was not the applicant's most recent employer before the application for
199.2 unemployment benefits;

199.3 (2) did not employ the applicant during the six calendar months before the
199.4 application for unemployment benefits; and

199.5 (3) did not raise an issue of ineligibility as a result of a quit or discharge of the
199.6 applicant within ten calendar days of notification under subdivision 1, paragraph (b);
199.7 then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two
199.8 weeks following the week that the issue of ineligibility as a result of a quit or discharge of
199.9 the applicant was raised by the employer.

199.10 A communication from an employer must specifically set out why the applicant
199.11 should be determined ineligible for unemployment benefits for that communication to be
199.12 considered to have raised an issue of ineligibility for purposes of this section. A statement
199.13 of "protest" or a similar term without more information does not constitute raising an issue
199.14 of ineligibility for purposes of this section.

199.15 (c) Subject to section 268.031, an issue of ineligibility is determined based upon
199.16 that information required of an applicant, any information that may be obtained from an
199.17 applicant or employer, and information from any other source.

199.18 (d) Regardless of the requirements of this subdivision, the commissioner is not
199.19 required to send to an applicant a copy of the determination where the applicant has
199.20 satisfied a period of ineligibility because of a quit or a discharge under section 268.095,
199.21 subdivision 10.

199.22 (e) The commissioner may issue a determination on an issue of ineligibility ~~at any~~
199.23 ~~time~~ within 24 months from the establishment of a benefit account based upon information
199.24 from any source, even if the issue of ineligibility was not raised by the applicant or an
199.25 employer. ~~This paragraph does not prevent the imposition of a penalty on~~

199.26 If an applicant obtained unemployment benefits through fraud under section 268.18,
199.27 subdivision 2, or 268.182 a determination of ineligibility may be issued within 48 months
199.28 of the establishment of the benefit account.

199.29 (f) A determination of eligibility or determination of ineligibility is final unless an
199.30 appeal is filed by the applicant or ~~notified~~ employer within 20 calendar days after sending.
199.31 The determination must contain a prominent statement indicating the consequences of not
199.32 appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

199.33 (g) An issue of ineligibility required to be determined under this section includes
199.34 any question regarding the denial or allowing of unemployment benefits under this chapter
199.35 except for issues under section 268.07. An issue of ineligibility for purposes of this section
199.36 includes any question of effect on an employer under section 268.047.

200.1 ~~(h) Except for issues of ineligibility as a result of a quit or discharge of the applicant,~~
200.2 ~~the employer will be (1) sent a copy of the determination of eligibility or a determination~~
200.3 ~~of ineligibility, or (2) considered an involved employer for purposes of an appeal under~~
200.4 ~~section 268.105, only if the employer raised the issue of ineligibility.~~

200.5 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
200.6 matters pending a determination.

200.7 Sec. 5. Minnesota Statutes 2014, section 268.182, subdivision 2, is amended to read:

200.8 Subd. 2. **Administrative penalties.** (a) Any applicant who knowingly makes a false
200.9 statement or representation, who knowingly fails to disclose a material fact, or who makes
200.10 a false statement or representation without a good faith belief as to the correctness of the
200.11 statement or representation, in order to obtain or in an attempt to obtain unemployment
200.12 benefits may be assessed, in addition to any other penalties, an administrative penalty of
200.13 being ineligible for unemployment benefits for 13 to 104 weeks.

200.14 (b) A determination of ineligibility setting out the weeks the applicant is ineligible
200.15 must be sent to the applicant by mail or electronic transmission. A determination of
200.16 ineligibility under this subdivision may be issued within 48 months of the establishment of
200.17 the benefit account upon which the unemployment benefits were obtained, or attempted to
200.18 be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination
200.19 is final. Proceedings on the appeal are conducted in accordance with section 268.105.

200.20 **EFFECTIVE DATE.** This section is effective July 31, 2016 and applies to all
200.21 matters pending a determination.

200.22 **ARTICLE 12**

200.23 **EQUITY**

200.24 Section 1. **APPROPRIATIONS.**

200.25 The sums shown in the columns marked "Appropriations" are appropriated to the
200.26 agencies and for the purposes specified in this article. The appropriations are from the
200.27 general fund, or another named fund, and are available for the fiscal year indicated
200.28 for each purpose. The figures "2016" and "2017" used in this article mean that the
200.29 appropriations listed under them are available for the fiscal year ending June 30, 2016,
200.30 or June 30, 2017, respectively.

200.31	<u>APPROPRIATIONS</u>	
200.32	<u>Available for the Year</u>	
200.33	<u>Ending June 30</u>	
200.34	<u>2016</u>	<u>2017</u>

202.1 must focus on low-income communities,
202.2 young adults from families with a history of
202.3 intergenerational poverty, and communities
202.4 of color. All grant recipients are subject to the
202.5 requirements of section 11. Of this amount,
202.6 up to five percent is for administration and
202.7 monitoring of the program. For fiscal year
202.8 2018 and thereafter, the base amount is
202.9 \$1,500,000 per year.

202.10 (c) \$1,000,000 in fiscal year 2017 is for a
202.11 grant to YWCA St. Paul to provide job
202.12 training services and workforce development
202.13 programs and services, including job skills
202.14 training and counseling. For fiscal year 2018
202.15 and thereafter, the base amount is \$250,000
202.16 per year.

202.17 (d) \$750,000 in fiscal year 2017 is for a grant
202.18 to the YWCA of Minneapolis to provide
202.19 economically challenged individuals the jobs
202.20 skills training, career counseling, and job
202.21 placement assistance necessary to secure
202.22 a child development associate credential
202.23 and to have a career path in early childhood
202.24 education. For fiscal year 2018 and thereafter,
202.25 the base amount is \$375,000 per year.

202.26 (e) \$4,250,000 in fiscal year 2017 is for a
202.27 grant to EMERGE Community Development,
202.28 in collaboration with community partners, for
202.29 services targeting Minnesota communities
202.30 with the highest concentrations of African
202.31 and African-American joblessness, based on
202.32 the most recent census tract data, to provide
202.33 employment readiness training, credentialed
202.34 training placement, job placement and
202.35 retention services, supportive services for

203.1 hard-to-employ individuals, and a general
203.2 education development fast track and adult
203.3 diploma program. For fiscal year 2018 and
203.4 thereafter, the base amount is \$1,000,000 per
203.5 year.

203.6 (f) \$2,500,000 in fiscal year 2017 is for a grant
203.7 to the Metropolitan Economic Development
203.8 Association (MEDA) for statewide business
203.9 development and assistance services,
203.10 including services to entrepreneurs with
203.11 businesses that have the potential to create
203.12 job opportunities for unemployed and
203.13 underemployed people, with an emphasis
203.14 on minority-owned businesses. For fiscal
203.15 year 2018 and thereafter, the base amount is
203.16 \$1,175,000 per year.

203.17 Of this appropriation, \$1,600,000 is for a
203.18 revolving loan fund to provide additional
203.19 minority-owned businesses with access to
203.20 capital.

203.21 (g) \$1,000,000 in fiscal year 2017 is for a
203.22 grant to the Minneapolis Foundation for
203.23 a strategic intervention program designed
203.24 to target and connect program participants
203.25 to meaningful, sustainable living-wage
203.26 employment.

203.27 (h) \$1,200,000 in fiscal year 2017 is
203.28 for performance grants under Minnesota
203.29 Statutes, section 116J.8747, to Twin Cities
203.30 R!SE to provide training to hard-to-train
203.31 individuals. For fiscal year 2018 and
203.32 thereafter, the base amount is \$600,000 per
203.33 year. Of the amount appropriated in fiscal
203.34 year 2017, \$407,000 is for a grant to Twin
203.35 Cities R!SE, in collaboration with Metro

204.1 Transit and Hennepin Technical College,
204.2 for the Metro Transit technician training
204.3 program. This is a onetime appropriation and
204.4 is available until June 30, 2019.

204.5 (i) \$2,500,000 in fiscal year 2017 is for
204.6 the creation of additional multiemployer,
204.7 sector-based career connections pathways.
204.8 This is a onetime appropriation and is
204.9 available until June 30, 2019. \$2,200,000 of
204.10 this amount is for a grant to Hennepin County
204.11 to establish pathways using the Hennepin
204.12 Career Connections framework. \$300,000
204.13 of this amount is for a grant to Hennepin
204.14 County to establish a pilot program based on
204.15 the career connections pathways framework
204.16 outside the seven-county metropolitan area,
204.17 in collaboration with another local unit of
204.18 government.

204.19 (j) \$1,500,000 in fiscal year 2017 is for the
204.20 high-wage, high-demand, nontraditional jobs
204.21 grant program under Minnesota Statutes,
204.22 section 116L.99. Of this amount, up to five
204.23 percent is for administration and monitoring
204.24 of the program. For fiscal year 2018 and
204.25 thereafter, the base amount is \$1,000,000 per
204.26 year.

204.27 (k) \$1,000,000 in fiscal year 2017 is for the
204.28 youth-at-work competitive grant program
204.29 under Minnesota Statutes, section 116L.562,
204.30 subdivision 3. Of this amount, up to five
204.31 percent is for administration and monitoring
204.32 of the program.

204.33 (l) \$2,000,000 in fiscal year 2017 is for a
204.34 competitive grant program for grants to
204.35 organizations providing services to relieve

205.1 economic disparities in the Southeast Asian
205.2 community through workforce recruitment,
205.3 development, job creation, assistance of
205.4 smaller organizations to increase capacity,
205.5 and outreach. Grant recipients under this
205.6 paragraph are subject to the requirements of
205.7 section 11. Of this amount, up to five percent
205.8 is for administration and monitoring of the
205.9 program. For fiscal year 2018 and thereafter,
205.10 the base amount is \$1,000,000 per year.

205.11 (m) \$1,500,000 in fiscal year 2017 is for
205.12 a grant to Latino Communities United
205.13 in Service (CLUES) to expand culturally
205.14 tailored programs that address employment
205.15 and education skill gaps for working parents
205.16 and underserved youth by providing new
205.17 job skills training to stimulate higher wages
205.18 for low-income people, family support
205.19 systems designed to reduce intergenerational
205.20 poverty, and youth programming to promote
205.21 educational advancement and career
205.22 pathways. At least 50 percent of this amount
205.23 must be used for programming targeted at
205.24 greater Minnesota. For fiscal year 2018 and
205.25 thereafter, the base amount is \$750,000 per
205.26 year.

205.27 (n) \$880,000 in fiscal year 2017 is for a grant
205.28 to the American Indian Opportunities and
205.29 Industrialization Center, in collaboration
205.30 with the Northwest Indian Community
205.31 Development Center, to reduce academic
205.32 disparities for American Indian students
205.33 and adults. The grant funds may be used to
205.34 provide:

- 206.1 (1) student tutoring and testing support
206.2 services;
- 206.3 (2) training in information technology;
- 206.4 (3) assistance in obtaining a GED;
- 206.5 (4) remedial training leading to enrollment in
206.6 a postsecondary higher education institution;
- 206.7 (5) real-time work experience in information
206.8 technology fields; and
- 206.9 (6) contextualized adult basic education.
- 206.10 After notification to the legislature, the
206.11 commissioner may transfer this appropriation
206.12 to the commissioner of education. For fiscal
206.13 year 2018 and thereafter, the base amount is
206.14 \$250,000 per year.
- 206.15 (o) \$500,000 in fiscal year 2017 is for a
206.16 grant to the White Earth Nation for the
206.17 White Earth Nation Integrated Business
206.18 Development System to provide business
206.19 assistance with workforce development,
206.20 outreach, technical assistance, infrastructure
206.21 and operational support, financing, and other
206.22 business development activities. For fiscal
206.23 year 2018 and thereafter, the base amount is
206.24 \$125,000 per year.
- 206.25 (p) \$500,000 is for the Minnesota emerging
206.26 entrepreneur program under Minnesota
206.27 Statutes, section 116M.18. Of this amount,
206.28 up to five percent is for administration and
206.29 monitoring of the program. For fiscal year
206.30 2018 and thereafter, the base amount is
206.31 \$750,000 per year.
- 206.32 (q) \$1,000,000 is for the Pathways to
206.33 Prosperity adult workforce development

207.1 competitive grant program. When
207.2 awarding grants under this paragraph,
207.3 the commissioner may give preference to
207.4 any previous grantee with demonstrated
207.5 success in job training and placement for
207.6 hard-to-train individuals. A portion of the
207.7 grants may provide year-end educational
207.8 and experiential learning opportunities for
207.9 teens and young adults that provide careers
207.10 in the construction industry. Of this amount,
207.11 up to five percent is for administration and
207.12 monitoring of the program.

207.13 (r) \$320,000 is for the capacity building grant
207.14 program to assist nonprofit organizations
207.15 offering or seeking to offer workforce
207.16 development and economic development
207.17 programming. For fiscal year 2018 and
207.18 thereafter, the base amount is \$1,000,000 per
207.19 year.

207.20 (s) \$2,000,000 in fiscal year 2017 is for grants
207.21 for positive youth development, community
207.22 engagement, legal services, and capacity
207.23 building for community-based organizations
207.24 serving Somali youth, including youth
207.25 engagement, prevention, and intervention
207.26 activities that help build the resiliency of
207.27 the Somali Minnesotan community and
207.28 address challenges facing Somali youth.
207.29 Of this amount, \$1,000,000 is for a grant
207.30 to Youthprise for activities provided in this
207.31 paragraph. Funded projects must provide
207.32 culturally and linguistically relevant services.
207.33 To the maximum extent possible, 50 percent
207.34 of the funding must be distributed in greater
207.35 Minnesota, and 50 percent of funding must
207.36 be distributed within the metropolitan area,

208.1 as defined in Minnesota Statutes, section
208.2 473.121, subdivision 2. Of the amount
208.3 appropriated for grants to be awarded by
208.4 the commissioner, up to five percent is
208.5 for administration and monitoring of the
208.6 program. This is a onetime appropriation and
208.7 is available until June 30, 2019.

208.8 (t) \$600,000 in fiscal year 2017 is for a grant
208.9 to Ujamaa Place for job training, employment
208.10 preparation, internships, education, training
208.11 in the construction trades, housing, and
208.12 organizational capacity building.

208.13 (u) \$1,750,000 in fiscal year 2017 is for
208.14 a grant to Enterprise Minnesota, Inc. Of
208.15 this amount, \$875,000 is for the small
208.16 business growth acceleration program under
208.17 Minnesota Statutes, section 116O.115, and
208.18 \$875,000 is for operations under Minnesota
208.19 Statutes, sections 116O.01 to 116O.061.
208.20 For fiscal year 2018 and thereafter, the base
208.21 amount is \$875,000 per year.

208.22 (v) \$1,000,000 in fiscal year 2017 is for
208.23 grants to centers for independent living
208.24 under Minnesota Statutes, section 268A.11.
208.25 For fiscal year 2018 and thereafter, the base
208.26 amount is \$500,000 per year.

208.27 (w) \$1,000,000 in fiscal year 2017 is from the
208.28 general fund for State Services for the Blind.
208.29 Funds appropriated must be used to provide
208.30 services for senior citizens who are becoming
208.31 blind. At least half of the funds appropriated
208.32 must be used to provide training services for
208.33 seniors who are becoming blind. Training
208.34 services must provide independent living
208.35 skills to seniors who are becoming blind to

209.1 allow them to continue to live independently
209.2 in their homes. For fiscal year 2018 and
209.3 thereafter, the base amount is \$500,000 per
209.4 year.

209.5 (x) \$2,000,000 in fiscal year 2017 is from the
209.6 general fund for a grant to the Construction
209.7 Careers Foundation for the construction
209.8 career pathway initiative to provide
209.9 year-round educational and experiential
209.10 learning opportunities for teens and young
209.11 adults under the age of 21 that lead to careers
209.12 in the construction industry. For fiscal year
209.13 2018 and thereafter, the base amount is
209.14 \$1,000,000 per year. Grant funds must be
209.15 used to:

209.16 (1) increase construction industry exposure
209.17 activities for middle school and high school
209.18 youth, parents, and counselors to reach a more
209.19 diverse demographic and broader statewide
209.20 audience. This requirement includes, but
209.21 is not limited to, an expansion of programs
209.22 to provide experience in different crafts to
209.23 youth and young adults throughout the state;

209.24 (2) increase the number of high schools
209.25 in Minnesota offering construction classes
209.26 during the academic year that utilize a
209.27 multicraft curriculum;

209.28 (3) increase the number of summer internship
209.29 opportunities;

209.30 (4) enhance activities to support graduating
209.31 seniors in their efforts to obtain employment
209.32 in the construction industry;

209.33 (5) increase the number of young adults
209.34 employed in the construction industry and

210.1 ensure that they reflect Minnesota's diverse
 210.2 workforce; and

210.3 (6) enhance an industrywide marketing
 210.4 campaign targeted to youth and young adults
 210.5 about the depth and breadth of careers within
 210.6 the construction industry.

210.7 Programs and services supported by grant
 210.8 funds must give priority to individuals and
 210.9 groups that are economically disadvantaged
 210.10 or historically underrepresented in the
 210.11 construction industry, including but not
 210.12 limited to women, veterans, and members of
 210.13 minority and immigrant groups.

210.14 **Subd. 3. Minnesota Housing Finance Agency** -0- 750,000

210.15 \$500,000 is for a grant to Build Wealth MN to
 210.16 provide a family stabilization plan program
 210.17 including program outreach, financial literacy
 210.18 education, and budget and debt counseling.

210.19 \$250,000 is a onetime appropriation for
 210.20 grants to eligible applicants to create or
 210.21 expand risk mitigation programs to reduce
 210.22 landlord financial risks for renting to persons
 210.23 eligible under Minnesota Statutes, section
 210.24 462A.204. Eligible programs may reimburse
 210.25 landlords for costs including but not limited
 210.26 to nonpayment of rent, or damage costs above
 210.27 those costs covered by security deposits. The
 210.28 agency may give higher priority to applicants
 210.29 that can demonstrate a matching amount
 210.30 of money by a local unit of government,
 210.31 business, or nonprofit organization. Grantees
 210.32 must establish a procedure to review and
 210.33 validate claims and reimbursements under
 210.34 this grant program.

211.1 Sec. 3. Minnesota Statutes 2014, section 16C.10, subdivision 6, is amended to read:

211.2 Subd. 6. **Expenditures under specified amounts.** A competitive solicitation
211.3 process described in this chapter is not required for the acquisition of goods, services,
211.4 construction, and utilities in an amount of \$5,000 or less or as authorized by section
211.5 16C.16, subdivisions 6, paragraph (b), 6a, paragraph (b), and 7, paragraph (b).

211.6 Sec. 4. Minnesota Statutes 2014, section 16C.16, subdivision 6, is amended to read:

211.7 Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a six
211.8 percent preference ~~in the amount bid~~ for specified goods or services to small targeted
211.9 group businesses.

211.10 (b) The commissioner may award a contract for goods, services, or construction
211.11 directly to a small business or small targeted group business without going through a
211.12 competitive solicitation process up to a total contract award value, including extension
211.13 options, of \$25,000.

211.14 ~~(b)~~ (c) The commissioner may designate a purchase of goods or services for
211.15 award only to small businesses or small targeted group businesses if the commissioner
211.16 determines that at least three small businesses or small targeted group businesses are likely
211.17 to ~~bid~~ respond to a solicitation.

211.18 ~~(e)~~ (d) The commissioner, as a condition of awarding a construction contract or
211.19 approving a contract for professional or technical services, may set goals that require
211.20 the prime contractor to subcontract a portion of the contract to small businesses or
211.21 small targeted group businesses. The commissioner must establish a procedure for
211.22 granting waivers from the subcontracting requirement when qualified small businesses
211.23 or small targeted group businesses are not reasonably available. The commissioner may
211.24 establish financial incentives for prime contractors who exceed the goals for use of small
211.25 business or small targeted group business subcontractors and financial penalties for prime
211.26 contractors who fail to meet goals under this paragraph. The subcontracting requirements
211.27 of this paragraph do not apply to prime contractors who are small businesses or small
211.28 targeted group businesses.

211.29 Sec. 5. Minnesota Statutes 2015 Supplement, section 16C.16, subdivision 6a, is
211.30 amended to read:

211.31 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the
211.32 federal government as a condition of receiving federal funds, the commissioner shall
211.33 award up to a six percent preference, but no less than the percentage awarded to any

212.1 other group under this section, ~~in the amount bid~~ on state procurement to certified small
212.2 businesses that are majority-owned and operated by veterans.

212.3 (b) The commissioner may award a contract for goods, services, or construction
212.4 directly to a veteran-owned small business without going through a competitive solicitation
212.5 process up to a total contract award value, including extension options, of \$25,000.

212.6 (c) The commissioner may designate a purchase of goods or services for award only
212.7 to a veteran-owned small business if the commissioner determines that at least three
212.8 veteran-owned small businesses are likely to respond to a solicitation.

212.9 (d) The commissioner, as a condition of awarding a construction contract or
212.10 approving a contract for professional or technical services, may set goals that require
212.11 the prime contractor to subcontract a portion of the contract to a veteran-owned small
212.12 business. The commissioner must establish a procedure for granting waivers from the
212.13 subcontracting requirement when qualified veteran-owned small businesses are not
212.14 reasonably available. The commissioner may establish financial incentives for prime
212.15 contractors who exceed the goals for use of veteran-owned small business subcontractors
212.16 and financial penalties for prime contractors who fail to meet goals under this paragraph.
212.17 The subcontracting requirements of this paragraph do not apply to prime contractors
212.18 who are veteran-owned small businesses.

212.19 ~~(b)~~ (e) The purpose of this designation is to facilitate the transition of veterans from
212.20 military to civilian life, and to help compensate veterans for their sacrifices, including but
212.21 not limited to their sacrifice of health and time, to the state and nation during their military
212.22 service, as well as to enhance economic development within Minnesota.

212.23 ~~(e)~~ (f) Before the commissioner certifies that a small business is majority-owned and
212.24 operated by a veteran, the commissioner of veterans affairs must verify that the owner of
212.25 the small business is a veteran, as defined in section 197.447.

212.26 Sec. 6. Minnesota Statutes 2014, section 16C.16, subdivision 7, is amended to read:

212.27 Subd. 7. **Economically disadvantaged areas.** ~~(a) Except as otherwise provided in~~
212.28 ~~paragraph (b),~~ The commissioner may award up to a six percent preference ~~in the amount~~
212.29 ~~bid~~ on state procurement to small businesses located in an economically disadvantaged area.

212.30 ~~(b) The commissioner may award up to a four percent preference in the amount bid~~
212.31 ~~on state construction to small businesses located in an economically disadvantaged area.~~

212.32 (b) The commissioner may award a contract for goods, services, or construction
212.33 directly to a small business located in an economically disadvantaged area without going
212.34 through a competitive solicitation process up to a total contract award value, including
212.35 extension options, of \$25,000.

213.1 (c) The commissioner may designate a purchase of goods or services for award only
213.2 to a small business located in an economically disadvantaged area if the commissioner
213.3 determines that at least three small businesses located in an economically disadvantaged
213.4 area are likely to respond to a solicitation.

213.5 (d) The commissioner, as a condition of awarding a construction contract or
213.6 approving a contract for professional or technical services, may set goals that require the
213.7 prime contractor to subcontract a portion of the contract to a small business located in
213.8 an economically disadvantaged area. The commissioner must establish a procedure for
213.9 granting waivers from the subcontracting requirement when qualified small businesses
213.10 located in an economically disadvantaged area are not reasonably available. The
213.11 commissioner may establish financial incentives for prime contractors who exceed the
213.12 goals for use of subcontractors that are small businesses located in an economically
213.13 disadvantaged area and financial penalties for prime contractors who fail to meet goals
213.14 under this paragraph. The subcontracting requirements of this paragraph do not apply to
213.15 prime contractors who are small businesses located in an economically disadvantaged area.

213.16 ~~(e)~~ (e) A business is located in an economically disadvantaged area if:

213.17 (1) the owner resides in or the business is located in a county in which the median
213.18 income for married couples is less than 70 percent of the state median income for married
213.19 couples;

213.20 (2) the owner resides in or the business is located in an area designated a labor
213.21 surplus area by the United States Department of Labor; or

213.22 (3) the business is a certified rehabilitation facility or extended employment provider
213.23 as described in chapter 268A.

213.24 ~~(d)~~ (f) The commissioner may designate one or more areas designated as targeted
213.25 neighborhoods under section 469.202 or as border city enterprise zones under section
213.26 469.166 as economically disadvantaged areas for purposes of this subdivision if the
213.27 commissioner determines that this designation would further the purposes of this section.
213.28 If the owner of a small business resides or is employed in a designated area, the small
213.29 business is eligible for any preference provided under this subdivision.

213.30 ~~(e)~~ (g) The Department of Revenue shall gather data necessary to make the
213.31 determinations required by paragraph ~~(e)~~ (e), clause (1), and shall annually certify counties
213.32 that qualify under paragraph ~~(e)~~ (e), clause (1). An area designated a labor surplus area
213.33 retains that status for 120 days after certified small businesses in the area are notified of
213.34 the termination of the designation by the United States Department of Labor.

214.1 Sec. 7. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision
214.2 to read:

214.3 Subd. 7a. **Designated purchases and subcontractor goals.** (a) When designating
214.4 purchases directly to a business in accordance with this section, the commissioner may
214.5 also designate a purchase of goods or services directly to any combination of small
214.6 businesses, small targeted group businesses, veteran-owned small businesses or small
214.7 businesses located in an economically disadvantaged area if the commissioner determines
214.8 that at least three businesses in two or more of the disadvantaged business categories
214.9 are likely to respond.

214.10 (b) When establishing subcontractor goals under this section, the commissioner may
214.11 set goals that require the prime contractor to subcontract a portion of the contract to any
214.12 combination of a small business, small targeted group business, veteran-owned small
214.13 business, or small business located in an economically disadvantaged area.

214.14 Sec. 8. Minnesota Statutes 2014, section 16C.16, subdivision 11, is amended to read:

214.15 Subd. 11. **Procurement procedures.** All laws and rules pertaining to solicitations,
214.16 bid evaluations, contract awards, and other procurement matters apply equally to
214.17 procurements ~~designated for small businesses or small targeted group businesses~~ involving
214.18 any small business, small targeted group business, veteran-owned business, or small
214.19 business located in an economically disadvantaged area. ~~In the event of conflict with other~~
214.20 rules, section 16C.15 and rules adopted under it govern, if section 16C.15 applies. If it
214.21 does not apply, sections 16C.16 to 16C.21 and rules adopted under those sections govern.

214.22 Sec. 9. **[116L.562] YOUTH-AT-WORK GRANT PROGRAM.**

214.23 Subdivision 1. **Establishment.** The commissioner shall award grants to eligible
214.24 organizations for the purpose of providing workforce development and training
214.25 opportunities to economically disadvantaged or at-risk youth ages 14 to 24.

214.26 Subd. 2. **Definitions.** For purposes of this section:

214.27 (1) "eligible organization" or "eligible applicant" means a local government unit,
214.28 nonprofit organization, community action agency, or a public school district;

214.29 (2) "at-risk youth" means youth classified as at-risk under section 116L.56,
214.30 subdivision 2; and

214.31 (3) "economically disadvantaged" means youth who are economically disadvantaged
214.32 as defined in United States Code, title 29, section 1503.

214.33 Subd. 3. **Competitive grant awards.** (a) In awarding competitive grants, priority
214.34 shall be given to programs that:

215.1 (1) provide students with information about education and training requirements for
215.2 careers in high-growth, in-demand occupations;

215.3 (2) serve youth from communities of color who are under represented in the
215.4 workforce; or

215.5 (3) serve youth with disabilities.

215.6 (b) Eligible organizations must have demonstrated effectiveness in administering
215.7 youth workforce programs and must leverage nonstate or private sector funds.

215.8 (c) New eligible applicants must be youth-serving organizations with significant
215.9 capacity and demonstrable youth development experience and outcomes to operate a
215.10 youth workforce development project.

215.11 (d) If a program is not operated by a local unit of government or a workforce
215.12 development board, the grant recipient must coordinate the program with the local
215.13 workforce development board.

215.14 Subd. 4. **Reports.** Each grant recipient shall report to the commissioner in a format
215.15 to be determined by commissioner.

215.16 Sec. 10. Minnesota Statutes 2014, section 116L.99, is amended to read:

215.17 **116L.99 WOMEN AND HIGH-WAGE, HIGH-DEMAND,**
215.18 **NONTRADITIONAL JOBS GRANT PROGRAM.**

215.19 Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms
215.20 have the meanings given.

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

215.23 (c) "Eligible organization" includes, but is not limited to:

215.24 (1) community-based organizations experienced in serving women;

215.25 (2) employers;

215.26 (3) business and trade associations;

215.27 (4) labor unions and employee organizations;

215.28 (5) registered apprenticeship programs;

215.29 (6) secondary and postsecondary education institutions located in Minnesota; and

215.30 (7) workforce and economic development agencies.

215.31 (d) "High-wage, high-demand" means occupations that represent at least 0.1 percent
215.32 of total employment in the base year, have an annual median salary which is higher than
215.33 the average for the current year, and are projected to have more total openings as a share
215.34 of employment than the average.

216.1 (e) "Low-income" means income less than 200 percent of the federal poverty
216.2 guideline adjusted for a family size of four.

216.3 (f) "Nontraditional occupations" means those occupations in which women make
216.4 up less than 25 percent of the workforce as defined under United States Code, title 20,
216.5 section 2302.

216.6 (g) "Registered apprenticeship program" means a program registered under United
216.7 States Code, title 29, section 50.

216.8 (h) "STEM" means science, technology, engineering, and math.

216.9 (i) "Women of color" means females age 18 and older who are American Indian,
216.10 Asian, Black, or Hispanic.

216.11 (j) "Girls of color" means females under age 18 who are American Indian, Asian,
216.12 Black, or Hispanic.

216.13 Subd. 2. **Grant program.** The commissioner shall establish the women and
216.14 high-wage, high-demand, nontraditional jobs grant program to increase the number of
216.15 women in high-wage, high-demand, nontraditional occupations. The commissioner shall
216.16 make grants to eligible organizations for programs that encourage and assist women to enter
216.17 high-wage, high-demand, nontraditional occupations including but not limited to those in
216.18 the skilled trades, ~~science, technology, engineering, and math (STEM)~~ STEM occupations.
216.19 The commissioner must give priority to programs that encourage and assist women of color
216.20 to enter high-wage, high-demand, nontraditional occupations and STEM occupations.

216.21 Subd. 3. **Use of funds.** (a) Grant funds awarded under this section may be used for:

216.22 (1) recruitment, preparation, placement, and retention of women, including women
216.23 of color, low-income women and women over 50 years old, in registered apprenticeships,
216.24 postsecondary education programs, on-the-job training, and permanent employment in
216.25 high-wage, high-demand, nontraditional occupations;

216.26 (2) secondary or postsecondary education or other training to prepare women
216.27 to succeed in high-wage, high-demand, nontraditional occupations. Activities under
216.28 this clause may be conducted by the grantee or in collaboration with another institution,
216.29 including but not limited to a public or private secondary or postsecondary school;

216.30 (3) innovative, hands-on, best practices that stimulate interest in high-wage,
216.31 high-demand, nontraditional occupations among girls, increase awareness among
216.32 girls about opportunities in high-wage, high-demand, nontraditional occupations, or
216.33 increase access to secondary programming leading to jobs in high-wage, high-demand,
216.34 nontraditional occupations. Best practices include but are not limited to mentoring,
216.35 internships, or apprenticeships for girls in high-wage, high-demand, nontraditional
216.36 occupations;

217.1 (4) training and other staff development for job seeker counselors and Minnesota
217.2 family investment program (MFIP) caseworkers on opportunities in high-wage,
217.3 high-demand, nontraditional occupations;

217.4 (5) incentives for employers and sponsors of registered apprenticeship programs
217.5 to retain women in high-wage, high-demand, nontraditional occupations for more than
217.6 one year;

217.7 (6) training and technical assistance for employers to create a safe and healthy
217.8 workplace environment designed to retain and advance women, including best practices
217.9 for addressing sexual harassment, and to overcome gender inequity among employers
217.10 and registered apprenticeship programs;

217.11 (7) public education and outreach activities to overcome stereotypes about women
217.12 in high-wage, high-demand, nontraditional occupations, including the development of
217.13 educational and marketing materials; ~~and~~

217.14 (8) services to support for women in high-wage, high-demand, nontraditional
217.15 occupations including but not limited to assistance with balancing work responsibilities;
217.16 skills training and education; family caregiving; financial assistance for child care,
217.17 transportation, and safe and stable housing; workplace issues resolution; and access to
217.18 advocacy assistance and services; and

217.19 (9) recruitment, participation, and support of girls of color in approved training
217.20 programs or a valid apprenticeship program subject to section 181A.07, subdivision 7.

217.21 (b) Grant applications must include detailed information about how the applicant
217.22 plans to:

217.23 (1) increase women's participation in high-wage, high-demand occupations in which
217.24 women are currently underrepresented in the workforce;

217.25 (2) comply with the requirements under subdivision 3; ~~and~~

217.26 (3) use grant funds in conjunction with funding from other public or private
217.27 sources; and

217.28 (4) collaborate with existing, successful programs for training, education,
217.29 recruitment, preparation, placement, and retention of women of color in high-wage,
217.30 high-demand, nontraditional occupations and STEM occupations.

217.31 (c) In awarding grants under this subdivision, the commissioner shall give priority
217.32 to eligible organizations:

217.33 (1) with demonstrated success in recruiting and preparing women, especially
217.34 low-income women, women of color, and women over 50 years old, for high-wage,
217.35 high-demand, nontraditional occupations; and

217.36 (2) that leverage additional public and private resources.

218.1 (d) At least 50 percent of total grant funds must be awarded to programs providing
218.2 services and activities targeted to low-income women and women of color.

218.3 (e) The commissioner of employment and economic development in conjunction
218.4 with the commissioner of labor and industry shall monitor the use of funds under this
218.5 section, collect and compile information on the activities of other state agencies and public
218.6 or private entities that have purposes similar to those under this section, and identify other
218.7 public and private funding available for these purposes.

218.8 (f) By January 15, 2019, and each January 15 thereafter, the commissioner must
218.9 submit a report to the chairs and ranking minority members of the committees of the
218.10 house of representatives and the senate having jurisdiction over workforce development
218.11 that details the use of grant funds. If data is available, the report must contain data that is
218.12 disaggregated by race, cultural groups, family income, age, geographical location, migrant
218.13 or foreign immigrant status, primary language, whether the participant is an English
218.14 learner under Minnesota Statutes, section 124D.59, disability, and status of homelessness.

218.15 Sec. 11. **REQUIREMENTS FOR GRANTS TO INDIVIDUALLY SPECIFIED**
218.16 **RECIPIENTS.**

218.17 (a) **Application.** This section applies to any grant funded under this act where the
218.18 recipient of the grant is individually specified in this act. The commissioner serving as the
218.19 fiscal agent for the grant must ensure compliance with the requirements of this section, and
218.20 all applicable requirements under existing law, including applicable grants management
218.21 policies and procedures established by the Office of Grants Management.

218.22 (b) **Prerequisites.** Before any funding is provided to the grant recipient, the
218.23 recipient must provide the fiscal agent with a description of the following information in
218.24 a grant application:

- 218.25 (1) the purpose of the grant, including goals, priorities, and measurable outcomes;
218.26 (2) eligibility requirements for individuals who will be served by the grant program;
218.27 (3) the proposed geographic service areas for individuals served by the grant; and
218.28 (4) the reporting requirements.

218.29 These requirements are in addition to any requirements under existing laws and policies.

218.30 (c) **Financial Review.** Office of Grants Management Operating Policy and
218.31 Procedure number 08-06, titled "Policy on the Financial Review of Nongovernmental
218.32 Organizations" applies in pertinent part to all grants covered by paragraph (a).

218.33 (d) **Reporting to Fiscal Agent.** In addition to meeting any reporting requirements
218.34 included in the grant agreement, grant recipients subject to this section must provide the
218.35 following information to the commissioner serving as fiscal agent:

219.1 (1) a detailed accounting of the use of any grant proceeds;
219.2 (2) a description of program outcomes to date, including performance measured
219.3 against indicators specified in the grant agreement, including, but not limited to, job
219.4 creation, employment activity, wage information, business formation or expansion, and
219.5 academic performance; and
219.6 (3) the portion of the grant, if any, spent on the recipient's operating expenses.
219.7 Grant recipients must report the information required under this paragraph to the fiscal
219.8 agent within one year after receiving any portion of the grant, annually thereafter, and
219.9 within 30 days following the use of all funds provided under the grant.

219.10 (e) **Reporting to Legislature.** Beginning January 15, 2017, a commissioner serving
219.11 as a fiscal agent for a grant subject to this section must submit a report containing the
219.12 information provided by the grant recipients to the chairs and ranking minority members
219.13 of the legislative committees and budget divisions with jurisdiction over the agency
219.14 serving as fiscal agent for the grant. The report submitted under this section must also
219.15 include the commissioner's summary of the use of grant proceeds, and an analysis of
219.16 the grant recipients' success in meeting the goals, priorities, and measurable outcomes
219.17 specified for the grant. An updated version of this report must be submitted on January
219.18 15 of each succeeding year until January 15 in the year following the date when all of
219.19 the grant funds have been spent.

219.20 Sec. 12. **ETHNIC COUNCIL REVIEW.**

219.21 The commissioners of each agency appropriated money in this article may consult
219.22 with the four ethnic councils under Minnesota Statutes, sections 3.922 and 15.0145,
219.23 regarding implementation of the programs funded under this article. Any request for
219.24 proposals developed by a state agency as a result of this article may be reviewed by the
219.25 four ethnic councils prior to public submission.

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

219.27 **ARTICLE 13**

219.28 **STATE DEPARTMENTS AND VETERANS**

219.29 Section 1. **APPROPRIATIONS.**

219.30 The sums shown in the columns marked "Appropriations" are added to the
219.31 appropriations in Laws 2015, chapter 77, article 1, to the agencies and for the purposes
219.32 specified in this article. The appropriations are from the general fund or another named
219.33 fund. The figures "2016" and "2017" used in this article mean that the addition to the
219.34 appropriation listed under them are available for the fiscal year ending June 30, 2016, or

220.1 June 30, 2017, respectively. Supplemental appropriations for the fiscal year ending June
 220.2 30, 2016, are effective the day following final enactment.

220.3	<u>APPROPRIATIONS</u>		
220.4	<u>Available for the Year</u>		
220.5	<u>Ending June 30</u>		
220.6	<u>2016</u>		<u>2017</u>
220.7	Sec. 2. <u>ADMINISTRATION</u>		
220.8	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>1,198,000</u>
220.9	<u>Subd. 2. Government and Citizen Services -</u>		
220.10	<u>Olmstead Plan Increased Capacity</u>		<u>-0-</u> <u>148,000</u>
220.11	<u>For administrative costs to expand services</u>		
220.12	<u>provided under the Olmstead Plan serving</u>		
220.13	<u>people with disabilities.</u>		
220.14	<u>Subd. 3. Fiscal Agent - Veterans' Voices</u>		<u>-0-</u> <u>50,000</u>
220.15	<u>For a grant to the Association of Minnesota</u>		
220.16	<u>Public Educational Radio Stations for</u>		
220.17	<u>statewide programming to promote the</u>		
220.18	<u>Veterans' Voices program. This is a onetime</u>		
220.19	<u>appropriation.</u>		
220.20	<u>Subd. 4. Accounting and Procurement</u>		
220.21	<u>Software</u>		<u>-0-</u> <u>1,000,000</u>
220.22	<u>\$1,000,000 is to assess, upgrade, and enhance</u>		
220.23	<u>accounting and procurement software to</u>		
220.24	<u>facilitate targeted group business utilization</u>		
220.25	<u>and data reporting. This is a onetime</u>		
220.26	<u>appropriation and is available until June 30,</u>		
220.27	<u>2019.</u>		
220.28	Sec. 3. <u>MINNESOTA MANAGEMENT AND</u>		
220.29	<u>BUDGET</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>2,018,000</u>
220.30	<u>Of this amount, \$2,000,000 is for statewide</u>		
220.31	<u>information technology systems and is</u>		
220.32	<u>available until June 30, 2018. This is a</u>		
220.33	<u>onetime appropriation.</u>		

221.1 Of this amount, \$18,000 is to the Office
 221.2 of Economic Analysis for the revenue
 221.3 uncertainty report under Minnesota Statutes,
 221.4 section 16A.103, subdivision 1h. The base is
 221.5 \$9,000 each fiscal year beginning in fiscal
 221.6 year 2018.

221.7 Sec. 4. **REVENUE** \$ -0- \$ 1,333,000

221.8 **Tax System Management.** \$500,000 is for
 221.9 tax refund fraud protection software and
 221.10 services.

221.11 \$833,000 is for (1) communication and
 221.12 outreach; and (2) technology, audit, and
 221.13 fraud staff.

221.14 \$1,506,000 is added to the base in fiscal year
 221.15 2018 and \$1,506,000 in fiscal year 2019.

221.16 Sec. 5. **AMATEUR SPORTS COMMISSION** \$ -0- \$ 10,000,000

221.17 **Mighty Ducks.** For the purposes of making
 221.18 grants under Minnesota Statutes, section
 221.19 240A.09, paragraph (b). This appropriation
 221.20 is a onetime appropriation and is added to
 221.21 the appropriations in Laws 2015, chapter 77,
 221.22 article 1, section 18, and Laws 2015, First
 221.23 Special Session chapter 5, article 1, section 9.

221.24 Sec. 6. **HUMANITIES CENTER** \$ -0- \$ 95,000

221.25 To expand education efforts around the
 221.26 Veterans' Voices program, and to work
 221.27 with veterans to educate and engage the
 221.28 community regarding veterans' contributions,
 221.29 knowledge, skills, and experiences through
 221.30 the Veterans' Voices program. This is a
 221.31 onetime appropriation.

222.1	Sec. 7. <u>MINNESOTA STATE RETIREMENT</u>			
222.2	<u>SYSTEM</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 3,000,000</u>
222.3	<u>Judges Retirement Plan.</u> In fiscal year			
222.4	<u>2017 for transfer to the judges' retirement</u>			
222.5	<u>fund defined in Minnesota Statutes, section</u>			
222.6	<u>490.123. \$6,000,000 each fiscal year</u>			
222.7	<u>is included in the base and the transfer</u>			
222.8	<u>continues each fiscal year until the judges</u>			
222.9	<u>retirement plan reaches 100 percent funding</u>			
222.10	<u>as determined by an actuarial valuation</u>			
222.11	<u>prepared under Minnesota Statutes, section</u>			
222.12	<u>356.214.</u>			
222.13	Sec. 8. <u>MILITARY AFFAIRS</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 248,000</u>
222.14	<u>Security Improvement; General Support.</u>			
222.15	<u>For payroll costs and contracted costs of</u>			
222.16	<u>training and testing to provide security at</u>			
222.17	<u>state-owned Minnesota National Guard</u>			
222.18	<u>facilities.</u>			
222.19	Sec. 9. <u>VETERANS AFFAIRS</u>			
222.20	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 700,000</u>
222.21	Subd. 2. <u>Cottages of Anoka</u>		<u>-0-</u>	<u>100,000</u>
222.22	<u>\$100,000 is to support nonprofit organizations</u>			
222.23	<u>in providing rent subsidies for housing for</u>			
222.24	<u>veterans and their families at the Cottages</u>			
222.25	<u>of Anoka.</u>			
222.26	Subd. 3. <u>State Soldiers Assistance Grant</u>		<u>-0-</u>	<u>200,000</u>
222.27	<u>\$200,000 is for the state soldiers assistance</u>			
222.28	<u>fund, for housing assistance and health</u>			
222.29	<u>assistance to veterans.</u>			
222.30	Subd. 4. <u>Mental Health Study</u>		<u>-0-</u>	<u>150,000</u>
222.31	<u>For the study and report in section 62. This</u>			
222.32	<u>is a onetime appropriation.</u>			

223.1 Subd. 5. **Disabled Veterans Interim Housing**
 223.2 Study -0- 250,000

223.3 For the study and report in section 63. This
 223.4 is a onetime appropriation.

223.5 Sec. 10. **PUBLIC SAFETY** \$ -0- \$ 88,000

223.6 \$88,000 is for a grant to the Arrowhead
 223.7 Regional Development Commission to
 223.8 conduct an assessment of law enforcement
 223.9 needs for detention facilities in northeast
 223.10 Minnesota. This is a onetime appropriation.

223.11 Sec. 11. Minnesota Statutes 2014, section 3.3005, subdivision 3, is amended to read:

223.12 Subd. 3. **State match.** If a request to spend federal money is included in the
 223.13 governor's budget or spending the money is authorized by law but the amount of federal
 223.14 money ~~received~~ that has been awarded and requires a state match greater than ~~that the~~
 223.15 amount that was included in the budget request or authorized by law, the ~~amount~~ federal
 223.16 funds that have been awarded that ~~requires~~ require an additional state match may be
 223.17 allotted for expenditure after the requirements of subdivision 5 or 6 are met.

223.18 Sec. 12. Minnesota Statutes 2014, section 3.3005, subdivision 3b, is amended to read:

223.19 Subd. 3b. **Increase in amount.** If a request to spend federal money is included in a
 223.20 governor's budget request and approved according to subdivision 2 or 5 and the amount of
 223.21 money ~~available~~ awarded increases after the request is made and authorized, the additional
 223.22 amount may be allotted for expenditure after a revised request is submitted according to
 223.23 subdivision 2, or the requirements of subdivision 4, 5, or 6 are met.

223.24 Sec. 13. Minnesota Statutes 2014, section 3.3005, subdivision 4, is amended to read:

223.25 Subd. 4. **Interim procedures; urgencies.** If federal money ~~becomes available~~
 223.26 is awarded to the state for expenditure after the deadline in subdivision 2 or while the
 223.27 legislature is not in session, and the availability of money from that source or for that
 223.28 purpose or in that fiscal year could not reasonably have been anticipated and included in
 223.29 the governor's budget request, and an urgency requires that all or part of the money be
 223.30 ~~allotted~~ encumbered or expended before the legislature reconvenes or prior to the end of
 223.31 the 20-day period specified in subdivision 2, it may be allotted to a state agency after
 223.32 the requirements of subdivision 5 are met.

224.1 Sec. 14. Minnesota Statutes 2014, section 3.3005, subdivision 5, is amended to read:

224.2 Subd. 5. **Legislative Advisory Commission review.** Federal money that is
224.3 awarded and becomes available under subdivision 3, 3a, 3b, or 4 may be allotted after
224.4 the commissioner of management and budget has submitted the request to the members
224.5 of the Legislative Advisory Commission for their review and recommendation for
224.6 further review. If a recommendation is not made within ten days, no further review by
224.7 the Legislative Advisory Commission is required, and the commissioner shall approve
224.8 or disapprove the request. If a recommendation by any member is for further review the
224.9 governor shall submit the request to the Legislative Advisory Commission for its review
224.10 and recommendation. Failure or refusal of the commission to make a recommendation
224.11 promptly is a negative recommendation.

224.12 Sec. 15. Minnesota Statutes 2014, section 3.3005, subdivision 6, is amended to read:

224.13 Subd. 6. **Interim procedures; nonurgencies.** If federal money becomes available
224.14 to the state for expenditure after the deadline in subdivision 2 or while the legislature is
224.15 not in session, and subdivision 4 does not apply, a request to expend ~~the~~ that federal
224.16 money may be submitted by the commissioner of management and budget to members
224.17 of the Legislative Advisory Commission for their review and recommendation. This
224.18 request must be submitted by the later of October 1 of any year or 100 days before the
224.19 start of the next legislative session. If any member of the commission makes a negative
224.20 recommendation or a recommendation for further review on a request ~~by October~~
224.21 ~~20 of the same year~~ during the 20-day period beginning the day the commissioner
224.22 submits the request, the commissioner shall not approve expenditure of that federal
224.23 money. ~~If a request to expend federal money submitted under this subdivision receives~~
224.24 ~~a negative recommendation or a recommendation for further review, the request may~~
224.25 ~~be submitted again under subdivision 2.~~ If the members of the commission make a
224.26 positive recommendation or no recommendation, the commissioner ~~shall~~ may approve
224.27 ~~or disapprove~~ the request and the federal money may be allotted for expenditure. The
224.28 commissioner may submit the request again under subdivision 2 if the request receives a
224.29 negative recommendation or a recommendation for further review under this subdivision.

224.30 Sec. 16. Minnesota Statutes 2014, section 3.3005, is amended by adding a subdivision
224.31 to read:

224.32 Subd. 6a. **Withdrawal of commission recommendation.** A member of the
224.33 commission, with written notice to the commissioner, may withdraw a negative
224.34 recommendation or a recommendation for further review within 20 days of making the

225.1 recommendation. If all negative recommendations and all recommendations for further
225.2 review have been withdrawn, the commissioner may approve the expenditure of the
225.3 federal money.

225.4 Sec. 17. Minnesota Statutes 2014, section 3.3005, is amended by adding a subdivision
225.5 to read:

225.6 Subd. 9. **Withdrawal of request.** The commissioner of management and budget
225.7 may, with written notice, withdraw any request to spend federal money under this section.
225.8 The commissioner of an agency requesting to expend federal money under this section
225.9 may, with written notice, withdraw any request to spend federal money under this section
225.10 that was submitted by the commissioner's agency.

225.11 Sec. 18. Minnesota Statutes 2014, section 16A.103, is amended by adding a
225.12 subdivision to read:

225.13 Subd. 1h. **Revenue uncertainty information.** The commissioner shall report
225.14 to the legislature within 14 days of a forecast under subdivision 1 on uncertainty in
225.15 Minnesota's general fund revenue projections. The report shall present information on: (1)
225.16 the estimated range of forecast error for revenues; and (2) the data and methods used to
225.17 construct those measurements.

225.18 Sec. 19. Minnesota Statutes 2015 Supplement, section 16A.152, subdivision 2, is
225.19 amended to read:

225.20 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general
225.21 fund revenues and expenditures, the commissioner of management and budget determines
225.22 that there will be a positive unrestricted budgetary general fund balance at the close of
225.23 the biennium, the commissioner of management and budget must allocate money to the
225.24 following accounts and purposes in priority order:

225.25 (1) the cash flow account established in subdivision 1 until that account reaches
225.26 \$350,000,000;

225.27 (2) the budget reserve account established in subdivision 1a until that account
225.28 reaches ~~\$810,992,000~~ \$1,596,522,000;

225.29 (3) the amount necessary to increase the aid payment schedule for school district
225.30 aids and credits payments in section 127A.45 to not more than 90 percent rounded to the
225.31 nearest tenth of a percent without exceeding the amount available and with any remaining
225.32 funds deposited in the budget reserve; and

226.1 (4) the amount necessary to restore all or a portion of the net aid reductions under
226.2 section 127A.441 and to reduce the property tax revenue recognition shift under section
226.3 123B.75, subdivision 5, by the same amount;

226.4 ~~(5) the closed landfill investment fund established in section 115B.421 until~~
226.5 ~~\$63,215,000 has been transferred into the account. This clause expires after the entire~~
226.6 ~~amount of the transfer has been made; and~~

226.7 ~~(6) the metropolitan landfill contingency action trust account established in section~~
226.8 ~~473.845 until \$8,100,000 has been transferred into the account. This clause expires after~~
226.9 ~~the entire amount of the transfer has been made.~~

226.10 (b) The amounts necessary to meet the requirements of this section are appropriated
226.11 from the general fund within two weeks after the forecast is released or, in the case of
226.12 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
226.13 schedules otherwise established in statute.

226.14 (c) The commissioner of management and budget shall certify the total dollar
226.15 amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of
226.16 education. The commissioner of education shall increase the aid payment percentage and
226.17 reduce the property tax shift percentage by these amounts and apply those reductions to
226.18 the current fiscal year and thereafter.

226.19 Sec. 20. Minnesota Statutes 2015 Supplement, section 16C.073, subdivision 2, is
226.20 amended to read:

226.21 Subd. 2. **Purchases.** (a) Whenever practicable, a public entity shall:

226.22 (1) purchase uncoated copy paper, office paper, and printing paper;

226.23 (2) purchase recycled content copy paper with at least 30 percent postconsumer
226.24 material by weight and purchase printing and office paper with at least ten percent
226.25 postconsumer material by weight;

226.26 (3) purchase copy, office, and printing paper which has not been dyed with colors,
226.27 excluding pastel colors;

226.28 (4) purchase recycled content copy, office, and printing paper that is manufactured
226.29 using little or no chlorine bleach or chlorine derivatives;

226.30 (5) use reusable binding materials or staples and bind documents by methods that do
226.31 not use glue;

226.32 (6) use soy-based inks;

226.33 (7) purchase printer or duplication cartridges that:

226.34 (i) have ten percent postconsumer material; or

226.35 (ii) are purchased as remanufactured; or

227.1 (iii) are backed by a vendor-offered program that will take back the printer cartridges
227.2 after their useful life, ensure that the cartridge is recycled, and comply with the definition
227.3 of recycling in section 115A.03, subdivision 25b;

227.4 ~~(7)~~ (8) produce reports, publications, and periodicals that are readily recyclable; and
227.5 ~~(8)~~ (9) purchase paper which has been made on a paper machine located in Minnesota.

227.6 (b) Paragraph (a), clause (1), does not apply to coated paper that is made with at
227.7 least 50 percent postconsumer material.

227.8 (c) A public entity shall print documents on both sides of the paper where commonly
227.9 accepted publishing practices allow.

227.10 Sec. 21. Minnesota Statutes 2014, section 16E.0466, is amended to read:

227.11 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

227.12 (a) Every state agency with an information or telecommunications project must
227.13 consult with the Office of MN.IT Services to determine the information technology cost
227.14 of the project. Upon agreement between the commissioner of a particular agency and
227.15 the chief information officer, the agency must transfer the information technology cost
227.16 portion of the project to the Office of MN.IT Services. Service level agreements must
227.17 document all project-related transfers under this section. Those agencies specified in
227.18 section 16E.016, paragraph (d), are exempt from the requirements of this section.

227.19 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating
227.20 balance appropriated to a state agency may be transferred to the information and
227.21 telecommunications technology systems and services account for the information
227.22 technology cost of a specific project, subject to the review of the Legislative Advisory
227.23 Commission, under section 16E.21, subdivision 3.

227.24 Sec. 22. Minnesota Statutes 2014, section 16E.21, subdivision 2, is amended to read:

227.25 Subd. 2. **Charges.** Upon agreement of the participating agency, the Office of
227.26 MN.IT Services may collect a charge or receive a fund transfer under section 16E.0466
227.27 for purchases of information and telecommunications technology systems and services
227.28 by state agencies and other governmental entities through state contracts for purposes
227.29 described in subdivision 1. Charges collected under this section must be credited to the
227.30 information and telecommunications technology systems and services account.

227.31 Sec. 23. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision
227.32 to read:

228.1 Subd. 3. **Legislative Advisory Commission review.** (a) No funds may be
228.2 transferred to the information and telecommunications technology systems and services
228.3 account under subdivision 2 or section 16E.0466 until the commissioner of management
228.4 and budget has submitted the proposed transfer to the members of the Legislative
228.5 Advisory Commission for review and recommendation. If the commission makes a
228.6 positive recommendation or no recommendation, or if the commission has not reviewed
228.7 the request within 20 days after the date the request to transfer funds was submitted,
228.8 the commissioner of management and budget may approve the request to transfer the
228.9 funds. If the commission recommends further review of a request to transfer funds, the
228.10 commissioner shall provide additional information to the commission. If the commission
228.11 makes a negative recommendation on the request within ten days of receiving further
228.12 information, the commissioner shall not approve the fund transfer. If the commission
228.13 makes a positive recommendation or no recommendation within ten days of receiving
228.14 further information, the commissioner may approve the fund transfer.

228.15 (b) A recommendation of the commission must be made at a meeting of the
228.16 commission unless a written recommendation is signed by all members entitled to vote on
228.17 the item as specified in section 3.30, subdivision 2. A recommendation of the commission
228.18 must be made by a majority of the commission.

228.19 Sec. 24. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision
228.20 to read:

228.21 Subd. 4. **Lapse.** Any portion of any receipt credited to the information and
228.22 telecommunications technology systems and services account from a fund transfer under
228.23 subdivision 2 that remains unexpended and unencumbered at the close of the fiscal year
228.24 four years after the funds were received in the account shall lapse to the fund from which
228.25 the receipt was transferred.

228.26 Sec. 25. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision
228.27 to read:

228.28 Subd. 5. **Report.** The chief information officer shall report by September 15 of
228.29 each odd-numbered year to the chairs and ranking minority members of the legislative
228.30 committees and divisions with jurisdiction over the Office of MN.IT Services regarding
228.31 the receipts credited to the account. The report must include a description of projects
228.32 funded through the information and telecommunications technology systems and services
228.33 account and each project's current status.

229.1 Sec. 26. Minnesota Statutes 2014, section 116J.8737, subdivision 2, is amended to read:

229.2 Subd. 2. **Certification of qualified small businesses.** (a) Businesses may apply
229.3 to the commissioner for certification as a qualified small business or qualified greater
229.4 Minnesota small business for a calendar year. The application must be in the form
229.5 and be made under the procedures specified by the commissioner, accompanied by an
229.6 application fee of \$150. Application fees are deposited in the small business investment
229.7 tax credit administration account in the special revenue fund. The application for
229.8 certification for 2010 must be made available on the department's Web site by August 1,
229.9 2010. Applications for subsequent years' certification must be made available on the
229.10 department's Web site by November 1 of the preceding year.

229.11 (b) Within 30 days of receiving an application for certification under this subdivision,
229.12 the commissioner must either certify the business as satisfying the conditions required
229.13 of a qualified small business or qualified greater Minnesota small business, request
229.14 additional information from the business, or reject the application for certification. If
229.15 the commissioner requests additional information from the business, the commissioner
229.16 must either certify the business or reject the application within 30 days of receiving the
229.17 additional information. If the commissioner neither certifies the business nor rejects
229.18 the application within 30 days of receiving the original application or within 30 days of
229.19 receiving the additional information requested, whichever is later, then the application is
229.20 deemed rejected, and the commissioner must refund the \$150 application fee. A business
229.21 that applies for certification and is rejected may reapply.

229.22 (c) To receive certification as a qualified small business, a business must satisfy
229.23 all of the following conditions:

229.24 (1) the business has its headquarters in Minnesota;

229.25 (2) at least: (i) 51 percent of the business's employees are employed in Minnesota;

229.26 ~~and;~~ (ii) 51 percent of the business's total payroll is paid or incurred in the state; and (iii)

229.27 51 percent of the total value of all contractual agreements to which the business is a party

229.28 in connection with its primary business activity is for services performed under contract in

229.29 Minnesota, unless the business obtains a waiver under paragraph (i);

229.30 (3) the business is engaged in, or is committed to engage in, innovation in Minnesota
229.31 in one of the following as its primary business activity:

229.32 (i) using proprietary technology to add value to a product, process, or service in a
229.33 qualified high-technology field;

229.34 (ii) researching or developing a proprietary product, process, or service in a qualified
229.35 high-technology field;

230.1 (iii) researching or developing a proprietary product, process, or service in the fields
230.2 of agriculture, tourism, forestry, mining, manufacturing, or transportation; or

230.3 (iv) researching, developing, or producing a new proprietary technology for use in
230.4 the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation;

230.5 (4) other than the activities specifically listed in clause (3), the business is not
230.6 engaged in real estate development, insurance, banking, lending, lobbying, political
230.7 consulting, information technology consulting, wholesale or retail trade, leisure,
230.8 hospitality, transportation, construction, ethanol production from corn, or professional
230.9 services provided by attorneys, accountants, business consultants, physicians, or health
230.10 care consultants;

230.11 (5) the business has fewer than 25 employees;

230.12 (6) the business must pay its employees annual wages of at least 175 percent of the
230.13 federal poverty guideline for the year for a family of four and must pay its interns annual
230.14 wages of at least 175 percent of the federal minimum wage used for federally covered
230.15 employers, except that this requirement must be reduced proportionately for employees
230.16 and interns who work less than full-time, and does not apply to an executive, officer, or
230.17 member of the board of the business, or to any employee who owns, controls, or holds
230.18 power to vote more than 20 percent of the outstanding securities of the business;

230.19 (7) the business has (i) not been in operation for more than ten years, or (ii) not
230.20 been in operation for more than 20 years if the business is engaged in the research,
230.21 development, or production of medical devices or pharmaceuticals for which United
230.22 States Food and Drug Administration approval is required for use in the treatment or
230.23 diagnosis of a disease or condition;

230.24 (8) the business has not previously received private equity investments of more
230.25 than \$4,000,000;

230.26 (9) the business is not an entity disqualified under section 80A.50, paragraph (b),
230.27 clause (3); and

230.28 (10) the business has not issued securities that are traded on a public exchange.

230.29 (d) In applying the limit under paragraph (c), clause (5), the employees in all members
230.30 of the unitary business, as defined in section 290.17, subdivision 4, must be included.

230.31 (e) In order for a qualified investment in a business to be eligible for tax credits:

230.32 (1) the business must have applied for and received certification for the calendar
230.33 year in which the investment was made prior to the date on which the qualified investment
230.34 was made;

230.35 (2) the business must not have issued securities that are traded on a public exchange;

231.1 (3) the business must not issue securities that are traded on a public exchange within
231.2 180 days after the date on which the qualified investment was made; and

231.3 (4) the business must not have a liquidation event within 180 days after the date on
231.4 which the qualified investment was made.

231.5 (f) The commissioner must maintain a list of qualified small businesses and qualified
231.6 greater Minnesota businesses certified under this subdivision for the calendar year and
231.7 make the list accessible to the public on the department's Web site.

231.8 (g) For purposes of this subdivision, the following terms have the meanings given:

231.9 (1) "qualified high-technology field" includes aerospace, agricultural processing,
231.10 renewable energy, energy efficiency and conservation, environmental engineering, food
231.11 technology, cellulosic ethanol, information technology, materials science technology,
231.12 nanotechnology, telecommunications, biotechnology, medical device products,
231.13 pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar fields;

231.14 (2) "proprietary technology" means the technical innovations that are unique and
231.15 legally owned or licensed by a business and includes, without limitation, those innovations
231.16 that are patented, patent pending, a subject of trade secrets, or copyrighted; and

231.17 (3) "greater Minnesota" means the area of Minnesota located outside of the
231.18 metropolitan area as defined in section 473.121, subdivision 2.

231.19 (h) To receive certification as a qualified greater Minnesota business, a business must
231.20 satisfy all of the requirements of paragraph (c) and must satisfy the following conditions:

231.21 (1) the business has its headquarters in greater Minnesota; and

231.22 (2) at least: (i) 51 percent of the business's employees are employed in greater
231.23 Minnesota, and; (ii) 51 percent of the business's total payroll is paid or incurred in greater
231.24 Minnesota; and (iii) 51 percent of the total value of all contractual agreements to which
231.25 the business is a party in connection with its primary business activity is for services
231.26 performed under contract in greater Minnesota, unless the business obtains a waiver
231.27 under paragraph (i).

231.28 (i) The commissioner must exempt a business from the requirement under paragraph
231.29 (c), clause (2), item (iii), if the business certifies to the commissioner that the services
231.30 required under a contract in connection with the primary business activity cannot be
231.31 performed in Minnesota if the business otherwise qualifies as a qualified small business,
231.32 or in greater Minnesota if the business otherwise qualifies as a qualified greater Minnesota
231.33 business. The business must submit the certification required under this paragraph every
231.34 six months from the month the exemption was granted. The exemption allowed under this
231.35 paragraph must be submitted in a form and manner prescribed by the commissioner.

232.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
232.2 December 31, 2015.

232.3 Sec. 27. Minnesota Statutes 2014, section 116J.8737, subdivision 5, is amended to read:

232.4 Subd. 5. **Credit allowed.** (a)(1) A qualified investor or qualified fund is eligible
232.5 for a credit equal to 25 percent of the qualified investment in a qualified small business.
232.6 Investments made by a pass-through entity qualify for a credit only if the entity is a
232.7 qualified fund. The commissioner must not allocate more than \$15,000,000 in credits to
232.8 qualified investors or qualified funds for taxable years beginning after December 31, 2013,
232.9 and before January 1, 2017, and must not allocate more than \$10,000,000 in credits to
232.10 qualified investors or qualified funds for taxable years beginning after December 31, 2016,
232.11 and before January 1, 2018; and

232.12 (2) for taxable years beginning after December 31, 2014, and before January 1, ~~2017~~
232.13 2018, \$7,500,000 50 percent must be allocated to credits for qualifying investments in
232.14 qualified greater Minnesota businesses and minority- or women-owned qualified small
232.15 businesses in Minnesota. Any portion of a taxable year's credits that is reserved for
232.16 qualifying investments in greater Minnesota businesses and minority- or women-owned
232.17 qualified small businesses in Minnesota that is not allocated by September 30 of the taxable
232.18 year is available for allocation to other credit applications beginning on October 1. Any
232.19 portion of a taxable year's credits that is not allocated by the commissioner does not cancel
232.20 and may be carried forward to subsequent taxable years until all credits have been allocated.

232.21 (b) The commissioner may not allocate more than a total maximum amount in credits
232.22 for a taxable year to a qualified investor for the investor's cumulative qualified investments
232.23 as an individual qualified investor and as an investor in a qualified fund; for married
232.24 couples filing joint returns the maximum is \$250,000, and for all other filers the maximum
232.25 is \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits
232.26 over all taxable years for qualified investments in any one qualified small business.

232.27 (c) The commissioner may not allocate a credit to a qualified investor either as
232.28 an individual qualified investor or as an investor in a qualified fund if, at the time the
232.29 investment is proposed:

232.30 (1) the investor is an officer or principal of the qualified small business; or

232.31 (2) the investor, either individually or in combination with one or more members of
232.32 the investor's family, owns, controls, or holds the power to vote 20 percent or more of
232.33 the outstanding securities of the qualified small business.

232.34 A member of the family of an individual disqualified by this paragraph is not eligible for a
232.35 credit under this section. For a married couple filing a joint return, the limitations in this

233.1 paragraph apply collectively to the investor and spouse. For purposes of determining the
233.2 ownership interest of an investor under this paragraph, the rules under section 267(c) and
233.3 267(e) of the Internal Revenue Code apply.

233.4 (d) Applications for tax credits for 2010 must be made available on the department's
233.5 Web site by September 1, 2010, and the department must begin accepting applications
233.6 by September 1, 2010. Applications for subsequent years must be made available by
233.7 November 1 of the preceding year.

233.8 (e) Qualified investors and qualified funds must apply to the commissioner for tax
233.9 credits. Tax credits must be allocated to qualified investors or qualified funds in the order
233.10 that the tax credit request applications are filed with the department. The commissioner
233.11 must approve or reject tax credit request applications within 15 days of receiving the
233.12 application. The investment specified in the application must be made within 60 days of
233.13 the allocation of the credits. If the investment is not made within 60 days, the credit
233.14 allocation is canceled and available for reallocation. A qualified investor or qualified fund
233.15 that fails to invest as specified in the application, within 60 days of allocation of the
233.16 credits, must notify the commissioner of the failure to invest within five business days of
233.17 the expiration of the 60-day investment period.

233.18 (f) All tax credit request applications filed with the department on the same day must
233.19 be treated as having been filed contemporaneously. If two or more qualified investors or
233.20 qualified funds file tax credit request applications on the same day, and the aggregate
233.21 amount of credit allocation claims exceeds the aggregate limit of credits under this section
233.22 or the lesser amount of credits that remain unallocated on that day, then the credits must
233.23 be allocated among the qualified investors or qualified funds who filed on that day on a
233.24 pro rata basis with respect to the amounts claimed. The pro rata allocation for any one
233.25 qualified investor or qualified fund is the product obtained by multiplying a fraction,
233.26 the numerator of which is the amount of the credit allocation claim filed on behalf of
233.27 a qualified investor and the denominator of which is the total of all credit allocation
233.28 claims filed on behalf of all applicants on that day, by the amount of credits that remain
233.29 unallocated on that day for the taxable year.

233.30 (g) A qualified investor or qualified fund, or a qualified small business acting on their
233.31 behalf, must notify the commissioner when an investment for which credits were allocated
233.32 has been made, and the taxable year in which the investment was made. A qualified fund
233.33 must also provide the commissioner with a statement indicating the amount invested by
233.34 each investor in the qualified fund based on each investor's share of the assets of the
233.35 qualified fund at the time of the qualified investment. After receiving notification that the
233.36 investment was made, the commissioner must issue credit certificates for the taxable year

234.1 in which the investment was made to the qualified investor or, for an investment made by
234.2 a qualified fund, to each qualified investor who is an investor in the fund. The certificate
234.3 must state that the credit is subject to revocation if the qualified investor or qualified
234.4 fund does not hold the investment in the qualified small business for at least three years,
234.5 consisting of the calendar year in which the investment was made and the two following
234.6 years. The three-year holding period does not apply if:

234.7 (1) the investment by the qualified investor or qualified fund becomes worthless
234.8 before the end of the three-year period;

234.9 (2) 80 percent or more of the assets of the qualified small business is sold before
234.10 the end of the three-year period;

234.11 (3) the qualified small business is sold before the end of the three-year period;

234.12 (4) the qualified small business's common stock begins trading on a public exchange
234.13 before the end of the three-year period; or

234.14 (5) the qualified investor dies before the end of the three-year period.

234.15 (h) The commissioner must notify the commissioner of revenue of credit certificates
234.16 issued under this section.

234.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
234.18 December 31, 2016.

234.19 Sec. 28. Minnesota Statutes 2014, section 116J.8737, subdivision 12, is amended to
234.20 read:

234.21 Subd. 12. **Sunset.** This section expires for taxable years beginning after December
234.22 31, ~~2016~~ 2017, except that reporting requirements under subdivision 6 and revocation
234.23 of credits under subdivision 7 remain in effect through ~~2018~~ 2019 for qualified
234.24 investors and qualified funds, and through ~~2020~~ 2021 for qualified small businesses,
234.25 reporting requirements under subdivision 9 remain in effect through ~~2021~~ 2022, and the
234.26 appropriation in subdivision 11 remains in effect through ~~2020~~ 2021.

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

234.28 Sec. 29. Minnesota Statutes 2014, section 154.001, subdivision 2, is amended to read:

234.29 Subd. 2. **Board of Barber Examiners.** (a) A Board of Barber Examiners is
234.30 established to consist of ~~three~~ four barber members and one public member, as defined in
234.31 section 214.02, appointed by the governor.

234.32 (b) The barber members shall be persons who have practiced as registered barbers in
234.33 this state for at least five years immediately prior to their appointment; shall be graduates

235.1 from the 12th grade of a high school or have equivalent education, and shall have
235.2 knowledge of the matters to be taught in registered barber schools, as set forth in section
235.3 154.07. One of the barber members shall be a member of, or recommended by, a union of
235.4 journeymen barbers that has existed at least two years, and one barber member shall be a
235.5 member of, or recommended by, a professional organization of barbers.

235.6 **EFFECTIVE DATE.** This section is effective August 1, 2016.

235.7 Sec. 30. Minnesota Statutes 2014, section 154.002, is amended to read:

235.8 **154.002 OFFICERS; COMPENSATION; FEES; EXPENSES.**

235.9 The Board of Barber Examiners shall annually elect a chair and secretary. It shall
235.10 adopt and use a common seal for the authentication of its orders and records. The board
235.11 shall appoint an executive secretary or enter into an interagency agreement to procure the
235.12 services of an executive secretary. The executive secretary shall not be a member of the
235.13 board and shall be in the unclassified civil service. The position of executive secretary
235.14 may be a part-time position.

235.15 The executive secretary shall keep a record of all proceedings of the board. The
235.16 expenses of administering this chapter shall be paid from the appropriations made to
235.17 the Board of Barber Examiners.

235.18 Each member of the board shall take the oath provided by law for public officers.

235.19 A majority of the board, in meeting assembled, may perform and exercise all the
235.20 duties and powers devolving upon the board.

235.21 The members of the board shall receive compensation, as provided in section
235.22 214.09, for each day spent on board activities, but not to exceed 20 days in any calendar
235.23 month nor 100 days in any calendar year.

235.24 The board shall have authority to employ such inspectors, clerks, deputies, and other
235.25 assistants as it may deem necessary to carry out the provisions of this chapter.

235.26 **EFFECTIVE DATE.** This section is effective August 1, 2016.

235.27 Sec. 31. Minnesota Statutes 2015 Supplement, section 154.003, is amended to read:

235.28 **154.003 FEES.**

235.29 (a) The fees collected, as required in this chapter, chapter 214, and the rules of the
235.30 board, shall be paid to the board. The board shall deposit the fees in the general fund
235.31 in the state treasury.

235.32 (b) The board shall charge the following fees:

235.33 (1) examination and certificate, registered barber, \$85;

- 236.1 (2) retake of written examination, ~~registered barber~~, \$10;
- 236.2 ~~(3) examination and certificate, apprentice, \$80;~~
- 236.3 ~~(4) retake of written examination, apprentice, \$10;~~
- 236.4 ~~(5)~~ (3) examination and certificate, instructor, \$180;
- 236.5 ~~(6)~~ (4) certificate, instructor, \$65;
- 236.6 ~~(7)~~ (5) temporary teacher ~~or apprentice~~ permit, \$80;
- 236.7 ~~(8)~~ (6) temporary registered barber, military, \$85;
- 236.8 ~~(9)~~ (7) temporary barber instructor, military, \$180;
- 236.9 ~~(10) temporary apprentice barber, military, \$80;~~
- 236.10 ~~(11)~~ (8) renewal of registration, registered barber, \$80;
- 236.11 ~~(12) renewal of registration, apprentice, \$70;~~
- 236.12 ~~(13)~~ (9) renewal of registration, instructor, \$80;
- 236.13 ~~(14)~~ (10) renewal of temporary teacher permit, \$65;
- 236.14 ~~(15)~~ (11) student permit, \$45;
- 236.15 ~~(16)~~ (12) renewal of student permit, \$25;
- 236.16 ~~(17)~~ (13) initial shop registration, \$85;
- 236.17 ~~(18)~~ (14) initial school registration, \$1,030;
- 236.18 ~~(19)~~ (15) renewal shop registration, \$85;
- 236.19 ~~(20)~~ (16) renewal school registration, \$280;
- 236.20 ~~(21)~~ (17) restoration of registered barber registration, \$95;
- 236.21 ~~(22) restoration of apprentice registration, \$90;~~
- 236.22 ~~(23)~~ (18) restoration of shop registration, \$105;
- 236.23 ~~(24)~~ (19) change of ownership or location, \$55;
- 236.24 ~~(25)~~ (20) duplicate registration, \$40;
- 236.25 ~~(26)~~ (21) home study course, \$75;
- 236.26 ~~(27)~~ (22) letter of registration verification, \$25; and
- 236.27 ~~(28)~~ (23) reinspection, \$100.

236.28 **EFFECTIVE DATE.** This section is effective August 1, 2016.

236.29 Sec. 32. Minnesota Statutes 2014, section 154.01, is amended to read:

236.30 **154.01 REGISTRATION MANDATORY.**

236.31 (a) The registration of the practice of barbering serves the public health and safety of
236.32 the people of the state of Minnesota by ensuring that individuals seeking to practice the
236.33 profession of barbering are appropriately trained in the use of the chemicals, tools, and

237.1 implements of barbering and demonstrate the skills necessary to conduct barber services
237.2 in a safe, sanitary, and appropriate environment required for infection control.

237.3 ~~(a)~~ (b) No person shall practice, offer to practice, or attempt to practice barbering
237.4 without a current certificate of registration as a registered barber, issued pursuant to
237.5 provisions of sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to
237.6 154.21, and 154.24 to ~~154.26~~ 154.28 by the Board of Barber Examiners.

237.7 ~~(b)~~ No person shall serve, offer to serve, or attempt to serve as an apprentice under a
237.8 registered barber without a current certificate of registration as a registered apprentice or
237.9 temporary apprentice permit issued pursuant to provisions of sections 154.001, 154.002,
237.10 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 by the Board of
237.11 Barber Examiners. The registered apprentice shall, prior to or immediately upon issuance
237.12 of the apprentice's certificate of registration, and immediately after changing employment,
237.13 advise the board of the name, address, and certificate number of the registered barber
237.14 under whom the registered apprentice is working.

237.15 (c) A registered barber must only provide barbering services in a registered barber
237.16 shop or barber school, unless prior authorization is given by the board.

237.17 ~~(e)~~ (d) No person shall operate a barber shop unless it is at all times under the direct
237.18 supervision and management of a registered barber and the owner or operator of the barber
237.19 shop possesses a current shop registration card, issued to the barber shop establishment
237.20 address, under sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to
237.21 154.21, and 154.24 to ~~154.26~~ 154.28 by the Board of Barber Examiners.

237.22 ~~(d)~~ (e) No person shall serve, offer to serve, or attempt to serve as an instructor
237.23 of barbering without a current certificate of registration as a registered instructor of
237.24 barbering or a temporary permit as an instructor of barbering, as provided for the board
237.25 by rule, issued under sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162,
237.26 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 by the Board of Barber Examiners. Barber
237.27 instruction must be provided in registered barber schools only.

237.28 ~~(e)~~ (f) No person shall operate a barber school unless the owner or operator possesses
237.29 a current certificate of registration as a barber school, issued under sections 154.001,
237.30 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~
237.31 154.28 by the Board of Barber Examiners.

237.32 **EFFECTIVE DATE.** This section is effective August 1, 2016.

237.33 Sec. 33. Minnesota Statutes 2014, section 154.02, is amended to read:

237.34 **154.02 WHAT CONSTITUTES BARBERING DEFINITIONS.**

238.1 Subdivision 1. **What constitutes barbering.** Any one or any combination of the
238.2 following practices when done upon the head, face, and neck for cosmetic purposes and
238.3 not for the treatment of disease or physical or mental ailments and when done for payment
238.4 directly or indirectly or without payment for the public generally constitutes the practice
238.5 of barbering within the meaning of sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~
238.6 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28: to shave the face or neck, trim
238.7 the beard, clean, condition, cut or bob, color, shape, or straighten the hair of any person
238.8 of either sex for compensation or other reward received by the person performing such
238.9 service or any other person; to give facial and scalp massage ~~or treatments~~ with oils,
238.10 creams, lotions, or other preparations either by hand or mechanical appliances; to singe,
238.11 shampoo the hair, or apply hair tonics; or to apply cosmetic preparations, antiseptics,
238.12 powders, oils, clays, or lotions to hair, scalp, face, or neck.

238.13 Subd. 2. **Barber school.** A "barber school" is a place that holds a registration as a
238.14 barber school in which barbering, as defined in subdivision 1, is practiced by registered
238.15 student barbers under the direction of registered barber instructors for the purpose of
238.16 learning and teaching barber skills.

238.17 Subd. 3. **Barber shop.** A "barber shop" is a place other than a barber school that
238.18 holds a registration as a barber shop under this chapter in which barbering, as defined in
238.19 subdivision 1, is practiced.

238.20 Subd. 4. **Certificate of registration.** A "certificate of registration" means the
238.21 certificate issued to an individual, barber shop, or barber school that is in compliance
238.22 with the requirements of sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19
238.23 to 154.21, and 154.24 to 154.28.

238.24 Subd. 5. **Designated registered barber.** The "designated registered barber" is a
238.25 registered barber designated as the manager of a barber shop.

238.26 Subd. 6. **Registered barber.** A "registered barber" is an individual who, for
238.27 compensation, performs the personal services as defined in subdivision 1, in compliance
238.28 with this chapter.

238.29 **EFFECTIVE DATE.** This section is effective August 1, 2016.

238.30 Sec. 34. Minnesota Statutes 2014, section 154.04, is amended to read:

238.31 **154.04 PERSONS EXEMPT FROM REGISTRATION.**

238.32 The following persons are exempt from the provisions of sections 154.001, 154.002,
238.33 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 while
238.34 in the proper discharge of their professional duties:

239.1 (1) persons authorized by the law of this state to practice medicine, surgery,
239.2 osteopathy, and chiropractic;

239.3 (2) commissioned medical or surgical officers of the United States armed services;

239.4 (3) registered nurses, licensed practical nurses, and nursing aides performing
239.5 services under the direction and supervision of a licensed physician or licensed registered
239.6 nurse, provided, however, that no additional compensation shall be paid for such service
239.7 and patients who are so attended shall not be charged for barbering;

239.8 (4) licensed cosmetologists, when providing cosmetology services as defined
239.9 in section 155A.23, subdivision 3, provided, however, that cosmetologists shall not
239.10 hold themselves out as barbers or, ~~except in the case of nail technicians,~~ practice their
239.11 occupation in a barber shop; and

239.12 (5) persons who perform barbering services for charitable purposes in nursing
239.13 homes, shelters, missions, individual homes, or other similar facilities, provided, however,
239.14 that no direct or indirect compensation is received for the services, and that persons who
239.15 receive barbering services are not charged for the services.

239.16 **EFFECTIVE DATE.** This section is effective August 1, 2016.

239.17 Sec. 35. Minnesota Statutes 2014, section 154.05, is amended to read:

239.18 **154.05 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A**
239.19 **REGISTERED BARBER.**

239.20 (a) A person is qualified to receive a certificate of registration as a registered barber
239.21 if the person:

239.22 (1) ~~who is qualified under the provisions of section 154.06~~ has successfully
239.23 completed ten grades of education;

239.24 (2) ~~who has practiced as a registered apprentice for a period of 12 months under the~~
239.25 ~~immediate personal supervision of a registered barber; and~~ (2) has successfully completed
239.26 1,500 hours of study in a board-approved barber school; and

239.27 (3) ~~who has passed an examination conducted by the board to determine fitness to~~
239.28 ~~practice barbering~~

239.29 (3) has passed an examination conducted by the board to determine fitness to
239.30 practice barbering.

239.31 ~~An apprentice~~ (b) A first-time applicant for a certificate of registration to practice as a
239.32 registered barber who fails to pass the comprehensive examination conducted by the board
239.33 and who fails to pass a onetime retake of the written examination, shall ~~continue to practice~~

240.1 ~~as an apprentice for~~ complete an additional 300 500 hours of barber education before being
240.2 eligible to retake the comprehensive examination as many times as necessary to pass.

240.3 **EFFECTIVE DATE.** This section is effective August 1, 2016.

240.4 Sec. 36. Minnesota Statutes 2014, section 154.065, subdivision 2, is amended to read:

240.5 Subd. 2. **Qualifications.** A person is qualified to receive a certificate of registration
240.6 as an instructor of barbering who:

240.7 (1) is a graduate of an approved high school, or its equivalent, as determined by
240.8 examination by the Department of Education;

240.9 (2) has successfully completed vocational instructor training from a board-approved
240.10 program or accredited college or university program that includes the following courses or
240.11 their equivalents as determined by the board:

240.12 (i) introduction to career and technical education training;

240.13 (ii) philosophy and practice of career and technical education;

240.14 (iii) course development for career and technical education;

240.15 (iv) instructional methods for career and technical education; and

240.16 (v) human relations;

240.17 (3) is currently a registered barber and has at least three years experience as
240.18 a registered barber in this state, or its equivalent in another state or jurisdiction as
240.19 determined by the board; and

240.20 (4) has passed an examination conducted by the board to determine fitness to
240.21 instruct in barbering.

240.22 **EFFECTIVE DATE.** This section is effective August 1, 2016.

240.23 Sec. 37. Minnesota Statutes 2014, section 154.065, subdivision 4, is amended to read:

240.24 Subd. 4. **Examinations.** Examinations under this section shall be held not to exceed
240.25 twice a year at times and at a place or places to be determined by the board. In case of
240.26 an emergency, there being no registered instructor of barbering available, a temporary
240.27 certificate as an instructor of barbering, ~~valid only until the results of the next examination~~
240.28 ~~are released~~, may be issued upon such terms and conditions as the board may prescribe.

240.29 **EFFECTIVE DATE.** This section is effective August 1, 2016.

240.30 Sec. 38. Minnesota Statutes 2014, section 154.07, is amended to read:

240.31 **154.07 BARBER SCHOOLS; REQUIREMENTS.**

241.1 Subdivision 1. **Admission requirements; course of instruction.** No barber school
241.2 shall be approved by the board unless it requires, as a prerequisite to admission, ten grades
241.3 of an approved school or its equivalent, as determined by educational transcript, high
241.4 school diploma, high school equivalency certificate, or an examination conducted by the
241.5 commissioner of education, which shall issue a certificate that the student has passed the
241.6 required examination, and unless it requires, as a prerequisite to graduation, a course of
241.7 instruction of at least 1,500 hours; of not more than ~~eight~~ ten hours of schooling in any
241.8 one working day. The course of instruction must include the following subjects: scientific
241.9 fundamentals for barbering; hygiene; practical study of the hair, skin, muscles, and
241.10 nerves; structure of the head, face, and neck; elementary chemistry relating to sanitation;
241.11 disinfection; sterilization and antiseptics; diseases of the skin, hair, and glands; massaging
241.12 and manipulating the muscles of the face and neck; haircutting; shaving; trimming the
241.13 beard; bleaching, tinting and dyeing the hair; and the chemical waving and straightening
241.14 of hair.

241.15 Subd. 3. **Costs.** It is permissible for barber schools to make a reasonable charge for
241.16 materials used and services rendered by students for work done in the schools by students.

241.17 Subd. 3a. **Number of instructors.** There must be one registered instructor of
241.18 barbering for every ~~17~~ 20 students ~~or minor fraction in excess of 17~~ in attendance at the
241.19 same time. Instruction must not be performed by persons not possessing a certificate of
241.20 registration as an instructor of barbering or a temporary permit as an instructor of barbering.

241.21 Subd. 4. **Building requirements.** Each barber school must be conducted and
241.22 operated in one building, or in connecting buildings, and a barber school must not have
241.23 any department or branch in a building completely separated or removed from the
241.24 remainder of the barber school.

241.25 Subd. 5. **Owner's requirements.** Any person may own ~~and operate~~ a barber school
241.26 ~~if the person has had six years' continuous experience as a barber,~~ provided the person first
241.27 secures from the board an annual certificate of registration as a barber school, keeps it
241.28 prominently displayed, and before commencing business:

241.29 (1) files with the secretary of state a bond to the state approved by the attorney
241.30 general in the sum of \$25,000, conditioned upon the faithful compliance of the barber
241.31 school with sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to
241.32 154.21, and 154.24 to ~~154.26~~ 154.28, and to pay all judgments that may be obtained
241.33 against the school, or the owners thereof, on account of fraud, misrepresentation, or deceit
241.34 practiced by them or their agents; and

241.35 (2) keeps prominently displayed on the exterior a substantial sign indicating that the
241.36 establishment is a barber school.

242.1 Subd. 5a. **Student permits.** All barber schools upon receiving students shall
242.2 immediately apply to the board for student permits upon forms for that purpose furnished
242.3 by the board.

242.4 Subd. 5b. **Designated operator.** All barber schools shall be operated by a barber
242.5 with no less than six years of continuous experience as a registered barber in this state or
242.6 another state or jurisdiction as determined by the board. When a person who owns a barber
242.7 school does not meet the requirements of this section to operate a barber school, the owner
242.8 shall notify the board in writing and under oath of the identity of the person designated to
242.9 operate the barber school and shall notify the board of any change of operator by telephone
242.10 within 24 hours of such change, exclusive of Saturdays, Sundays, and legal holidays, and
242.11 shall notify the board in writing and under oath within 72 hours of such change.

242.12 Subd. 6. **Operation by technical college or state institution.** A public technical
242.13 college or a state institution may operate a barber school provided it has in its employment
242.14 a qualified instructor holding a current certificate of registration as a barber instructor and
242.15 provided that it secures from the board an annual certificate of registration and does so in
242.16 accordance with sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19
242.17 to 154.21, and 154.24 to ~~154.26~~ 154.28 and the rules of the board for barber schools but
242.18 without the requirement to file a performance bond with the secretary of state.

242.19 **EFFECTIVE DATE.** This section is effective August 1, 2016.

242.20 Sec. 39. Minnesota Statutes 2014, section 154.08, is amended to read:

242.21 **154.08 APPLICATION; FEE.**

242.22 Each applicant for an examination shall:

242.23 (1) make application to the Board of Barber Examiners on blank forms prepared and
242.24 furnished by it, the application to contain proof under the applicant's oath of the particular
242.25 qualifications and identity of the applicant;

242.26 (2) provide all documentation required in support of the application;

242.27 (3) pay to the board the required fee; and

242.28 (4) ~~present a government-issued photo identification as proof of identity upon~~
242.29 acceptance of the notarized application and present a corresponding government-issued
242.30 photo identification when the applicant appears for examination.

242.31 **EFFECTIVE DATE.** This section is effective August 1, 2016.

242.32 Sec. 40. Minnesota Statutes 2014, section 154.09, is amended to read:

242.33 **154.09 EXAMINATIONS, CONDUCT AND SCOPE.**

243.1 The board shall conduct examinations of applicants for certificates of registration
243.2 to practice as registered barbers and ~~apprentices~~ not more than six times each year, at
243.3 such time and place as the board may determine. Additional written examinations may
243.4 be scheduled by the board and conducted by board staff as designated by the board. The
243.5 proprietor of a barber school must file an affidavit with the board of hours completed by
243.6 students applying to take the ~~apprentice~~ registered barber examination. Students must
243.7 complete ~~1,500 hours~~ the full 1,500-hour curriculum in a barber school approved by the
243.8 board within the past four years to be eligible for examination. Barber students who have
243.9 completed barber school more than four years prior to application, that have not obtained
243.10 a barber registration, license, or certificate in any jurisdiction must complete an additional
243.11 500 hours of barber school education to be eligible for the registered barber examination.
243.12 Registered barbers that fail to renew their registration for four or more years are required
243.13 to take the registered barber examination to reinstate the registration.

243.14 The examination of applicants for certificates of registration as barbers and
243.15 ~~apprentices~~ shall include a practical demonstration and a written and ~~oral~~ test. The
243.16 examination must cover the subjects ~~usually~~ taught in barber schools registered with the
243.17 board, including applicable state statute and rule.

243.18 **EFFECTIVE DATE.** This section is effective August 1, 2016.

243.19 Sec. 41. Minnesota Statutes 2014, section 154.10, subdivision 2, is amended to read:

243.20 Subd. 2. **Certificates of registration; fees.** When the provisions of this chapter
243.21 have been complied with, the board shall issue a certificate of registration as a registered
243.22 barber, ~~as a registered apprentice,~~ as a registered instructor of barbering, or as a registered
243.23 barber school, ~~a temporary apprentice permit,~~ a temporary permit as an instructor of
243.24 barbering, or a barber shop registration card upon payment of the required fee. Certificates
243.25 of registration, temporary permits, and shop registration cards are not transferable.

243.26 **EFFECTIVE DATE.** This section is effective August 1, 2016.

243.27 Sec. 42. Minnesota Statutes 2014, section 154.11, subdivision 1, is amended to read:

243.28 Subdivision 1. **Examination of nonresidents.** (a) A person who meets all of
243.29 the requirements for barber registration in sections 154.001, 154.002, 154.003, 154.01
243.30 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 and either has a
243.31 currently active license, certificate of registration, or ~~an~~ equivalent as a practicing barber
243.32 or instructor of barbering as verified from another state or, if presenting foreign country
243.33 credentials as verified by a board-approved professional credential evaluation provider,

244.1 which in the discretion of the board has substantially the same requirements for registering
244.2 barbers and instructors of barbering as required by sections 154.001, 154.002, 154.003,
244.3 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ or can prove by sworn
244.4 affidavits practice as a barber or instructor of barbering in another state or country for at
244.5 least five years immediately prior to making application in this state, 154.28 shall, upon
244.6 payment of the required fee, be issued a certificate of registration without examination.

244.7 (b) Individuals without a current documented license, certificate of registration, or
244.8 equivalent, as verified in paragraph (a), must have a minimum of 1,500 hours of barber
244.9 education as verified by the barber school attended in the other state or if presenting foreign
244.10 country education as verified by a board-approved professional credential evaluation
244.11 provider, completed within the previous four years, which, in the discretion of the board,
244.12 has substantially the same requirements as required in sections 154.001, 154.002, 154.003,
244.13 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28 will be eligible for examination.

244.14 (c) Individuals unable to meet the requirements in paragraph (a) or (b) shall be
244.15 subject to all the requirements of section 154.05.

244.16 **EFFECTIVE DATE.** This section is effective August 1, 2016.

244.17 Sec. 43. Minnesota Statutes 2015 Supplement, section 154.11, subdivision 3, is
244.18 amended to read:

244.19 Subd. 3. **Temporary military permits.** (a) In accordance with section 197.4552,
244.20 the board shall issue a temporary:

244.21 ~~(1) permit for apprentice barbers;~~

244.22 ~~(2) (1) certificate for registered barbers; and~~

244.23 ~~(3) (2) certificate for registered barber instructors.~~

244.24 (b) Fees for temporary military permits and certificates of registration under this
244.25 subdivision are listed under section 154.003.

244.26 (c) Permits or certificates of registration issued under this subdivision are valid
244.27 for one year from the date of issuance, after which the individual must complete a full
244.28 application as required by section 197.4552.

244.29 **EFFECTIVE DATE.** This section is effective August 1, 2016.

244.30 Sec. 44. Minnesota Statutes 2014, section 154.14, is amended to read:

244.31 **154.14 CERTIFICATES OF REGISTRATION AND TEMPORARY PERMITS**
244.32 **TO BE DISPLAYED.**

245.1 Every holder of a certificate of registration as a registered barber ~~or registered~~
245.2 ~~apprentice or temporary apprentice permit~~ shall display the certificate or permit, with a
245.3 photograph of the certificate or permit holder that meets the same standards as required for
245.4 a United States passport, in a conspicuous place adjacent to or near the chair where work
245.5 is performed. Every holder of a certificate of registration as an instructor of barbering or
245.6 a temporary permit as an instructor of barbering shall display the certificate or permit,
245.7 with a photograph of the certificate or permit holder that meets the same standards as
245.8 required for a United States passport, in a conspicuous place within the barber school that
245.9 is accessible to the public. Every holder of a certificate of registration as a barber school
245.10 and of a barber shop registration card shall display it in a conspicuous place within the
245.11 establishment that is accessible to the public.

245.12 **EFFECTIVE DATE.** This section is effective August 1, 2016.

245.13 Sec. 45. Minnesota Statutes 2014, section 154.15, is amended to read:

245.14 **154.15 CERTIFICATES OF REGISTRATION MUST BE RENEWED**
245.15 **ANNUALLY.**

245.16 Subdivision 1. **Annual renewal required.** All registered barbers, ~~registered~~
245.17 ~~apprentices~~, and registered instructors of barbering who continue in active practice or
245.18 service shall, on or before December 31 each year, renew their certificates of registration
245.19 for the following year and pay the required fee. Every certificate of registration which
245.20 has not been renewed during the month of December in any year shall expire on the 31st
245.21 day of December in that year. All shop registration cards shall be renewed on or before
245.22 June 30 of each year upon payment of the required fee. All certificates of registration as
245.23 a barber school shall be renewed on or before December 31 of each year upon payment
245.24 of the required fee.

245.25 Subd. 2. **Effect of failure to renew.** A registered barber ~~or a registered apprentice~~
245.26 who has not renewed a certificate of registration may be reinstated within four years of
245.27 such failure to renew without examination upon the payment of the required restoration
245.28 fee for each year the certificate is lapsed. A registered instructor of barbering who has not
245.29 renewed a certificate of registration may be reinstated within four years of such failure to
245.30 renew without examination upon payment of the required restoration fee for each year
245.31 the certificate is lapsed. All registered barbers ~~and registered apprentices~~ who allow their
245.32 certificates of registration to lapse for more than four years shall be required to reexamine
245.33 before being issued a certificate of registration. All registered instructors of barbering who
245.34 allow their certificates of registration to lapse for more than four years shall be required

246.1 to reexamine before being issued a certificate of registration. A barber shop owner who
246.2 has not renewed the barber shop certificate for more than one year may reinstate the
246.3 barber shop registration upon payment of the restoration fee for each year the shop card
246.4 was lapsed. If lapsed or unregistered status is discovered by the barber inspector during
246.5 inspection, penalties under section 154.162 shall apply.

246.6 **EFFECTIVE DATE.** This section is effective August 1, 2016.

246.7 Sec. 46. Minnesota Statutes 2015 Supplement, section 154.161, subdivision 4, is
246.8 amended to read:

246.9 Subd. 4. **Registration actions.** (a) With respect to a person who is a holder of or
246.10 applicant for registration or a shop registration card under sections 154.001, 154.002,
246.11 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28, the
246.12 board may by order deny, refuse to renew, suspend, temporarily suspend, or revoke the
246.13 application, certificate of registration, or shop registration card, censure or reprimand the
246.14 person, refuse to permit the person to sit for examination, or refuse to release the person's
246.15 examination grades, if the board finds that such an order is in the public interest and that,
246.16 based on a preponderance of the evidence presented, the person has:

246.17 (1) violated a statute, rule, or order that the board has adopted or issued or is
246.18 empowered to enforce;

246.19 (2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, whether
246.20 or not the conduct or acts relate to the practice of barbering, if the fraudulent, deceptive, or
246.21 dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in
246.22 the practice of barbering;

246.23 (3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate
246.24 incompetence, or are otherwise in violation of the standards in the rules of the board,
246.25 where the conduct or acts relate to the practice of barbering;

246.26 (4) employed fraud or deception in obtaining a certificate of registration, shop
246.27 registration card, renewal, or reinstatement, or in passing all or a portion of the examination;

246.28 (5) had a certificate of registration or shop registration card, right to examine, or
246.29 other similar authority revoked in another jurisdiction;

246.30 (6) failed to meet any requirement for issuance or renewal of the person's certificate
246.31 of registration or shop registration card;

246.32 (7) practiced as a barber while having an infectious or contagious disease;

246.33 (8) advertised by means of false or deceptive statements;

246.34 (9) demonstrated intoxication or indulgence in the use of drugs, including but not
246.35 limited to narcotics as defined in section 152.01 or in United States Code, title 26, section

- 247.1 4731, barbiturates, amphetamines, benzedrine, dexedrine, or other sedatives, depressants,
247.2 stimulants, or tranquilizers;
- 247.3 (10) demonstrated unprofessional conduct or practice;
- 247.4 (11) permitted an employee or other person under the person's supervision or
247.5 control to practice as a registered barber, ~~registered apprentice~~, or registered instructor
247.6 of barbering unless that person has (i) a current certificate of registration as a registered
247.7 barber, ~~registered apprentice~~, or registered instructor of barbering, (ii) a temporary
247.8 apprentice permit, or (iii) a temporary permit as an instructor of barbering;
- 247.9 (12) practices, offered to practice, or attempted to practice by misrepresentation;
- 247.10 (13) failed to display a certificate of registration as required by section 154.14;
- 247.11 (14) used any room or place of barbering that is also used for any other purpose, or
247.12 used any room or place of barbering that violates the board's rules governing sanitation;
- 247.13 (15) in the case of a barber, ~~apprentice~~, or other person working in or in charge of
247.14 any barber shop, or any person in a barber school engaging in the practice of barbering,
247.15 failed to use separate and clean towels for each customer or patron, or to discard and
247.16 launder each towel after being used once;
- 247.17 (16) in the case of a barber or other person in charge of any barber shop or barber
247.18 school, (i) failed to supply in a sanitary manner clean hot and cold water in quantities
247.19 necessary to conduct the shop or barbering service for the school, (ii) failed to have water
247.20 and sewer connections from the shop or barber school with municipal water and sewer
247.21 systems where they are available for use, or (iii) failed or refused to maintain a receptacle
247.22 for hot water of a capacity of at least five gallons;
- 247.23 (17) refused to permit the board to make an inspection permitted or required by
247.24 sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and
247.25 154.24 to ~~154.26~~ 154.28, or failed to provide the board or the attorney general on behalf
247.26 of the board with any documents or records they request;
- 247.27 (18) failed promptly to renew a certificate of registration or shop registration card
247.28 when remaining in practice, pay the required fee, or issue a worthless check;
- 247.29 (19) ~~failed to supervise a registered apprentice or temporary apprentice~~, or permitted
247.30 the practice of barbering by a person not registered with the board or not holding a
247.31 temporary permit;
- 247.32 (20) refused to serve a customer because of race, color, creed, religion, disability,
247.33 national origin, or sex;
- 247.34 (21) failed to comply with a provision of sections 136A.82 to 136A.834, or a
247.35 provision of another chapter that relates to barber schools; or

248.1 (22) with respect to temporary suspension orders, has committed an act, engaged in
248.2 conduct, or committed practices that the board, or complaint committee if authorized by the
248.3 board, has determined may result or may have resulted in an immediate threat to the public.

248.4 (b) In lieu of or in addition to any remedy under paragraph (a), the board may
248.5 as a condition of continued registration, termination of suspension, reinstatement of
248.6 registration, examination, or release of examination results, require that the person:

248.7 (1) submit to a quality review of the person's ability, skills, or quality of work,
248.8 conducted in a manner and by a person or entity that the board determines; or

248.9 (2) complete to the board's satisfaction continuing education as the board requires.

248.10 (c) Service of an order under this subdivision is effective if the order is served
248.11 personally on, or is served by certified mail to the most recent address provided to the
248.12 board by the certificate holder, applicant, or counsel of record. The order must state the
248.13 reason for the entry of the order.

248.14 (d) Except as provided in subdivision 5, paragraph (c), all hearings under this
248.15 subdivision must be conducted in accordance with the Administrative Procedure Act.

248.16 **EFFECTIVE DATE.** This section is effective August 1, 2016.

248.17 Sec. 47. Minnesota Statutes 2014, section 154.161, subdivision 7, is amended to read:

248.18 Subd. 7. **Reinstatement.** The board may reinstate a suspended, revoked, or
248.19 surrendered certificate of registration or shop registration card, on petition of the former
248.20 or suspended registrant. The board may in its sole discretion place any conditions on
248.21 reinstatement of a suspended, revoked, or surrendered certificate of registration or shop
248.22 registration card that it finds appropriate and necessary to ensure that the purposes of
248.23 sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and
248.24 154.24 to ~~154.26~~ 154.28 are met. No certificate of registration or shop registration card
248.25 may be reinstated until the former registrant has completed at least one-half of the
248.26 suspension period.

248.27 **EFFECTIVE DATE.** This section is effective August 1, 2016.

248.28 Sec. 48. Minnesota Statutes 2014, section 154.162, is amended to read:

248.29 **154.162 ADMINISTRATIVE PENALTIES.**

248.30 The board shall impose and collect the following penalties:

248.31 (1) missing or lapsed shop registration discovered upon inspection; penalty imposed
248.32 on shop owner: up to \$500;

249.1 (2) unregistered ~~apprentice or registered~~ barber, first occurrence discovered upon
249.2 inspection; penalty imposed on shop owner and unlicensed or unregistered individual:
249.3 up to \$500; and

249.4 (3) unregistered ~~apprentice or registered~~ barber, second occurrence discovered upon
249.5 inspection; penalty imposed on shop owner and unlicensed or unregistered individual:
249.6 up to \$1,000.

249.7 **EFFECTIVE DATE.** This section is effective August 1, 2016.

249.8 Sec. 49. Minnesota Statutes 2014, section 154.19, is amended to read:

249.9 **154.19 VIOLATIONS.**

249.10 Each of the following constitutes a misdemeanor:

249.11 (1) The violation of any of the provisions of section 154.01;

249.12 (2) Permitting any person in one's employ, supervision, or control to practice as a
249.13 registered barber ~~or registered apprentice~~ unless that person has a certificate of registration
249.14 as a registered barber ~~or registered apprentice~~;

249.15 (3) Obtaining or attempting to obtain a certificate of registration for money other
249.16 than the required fee, or any other thing of value, or by fraudulent misrepresentation;

249.17 (4) Practicing or attempting to practice by fraudulent misrepresentation;

249.18 (5) The willful failure to display a certificate of registration as required by section
249.19 154.14;

249.20 (6) The use of any room or place for barbering which is also used for residential or
249.21 business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles,
249.22 cigars, tobacco, candies in original package, and such commodities as are used and sold in
249.23 barber shops, and except that shoeshining and an agency for the reception and delivery of
249.24 laundry, or either, may be conducted in a barber shop without the same being construed
249.25 as a violation of this section, unless a substantial partition of ceiling height separates the
249.26 portion used for residential or business purposes, and where a barber shop is situated in a
249.27 residence, poolroom, confectionery, store, restaurant, garage, clothing store, liquor store,
249.28 hardware store, or soft drink parlor, there must be an outside entrance leading into the
249.29 barber shop independent of any entrance leading into such business establishment, except
249.30 that this provision as to an outside entrance shall not apply to barber shops in operation
249.31 at the time of the passage of this section and except that a barber shop and ~~beauty parlor~~
249.32 cosmetology salon may be operated in conjunction, without the same being separated by
249.33 partition of ceiling height;

250.1 (7) The failure or refusal of any barber or other person in charge of any barber shop,
250.2 or any person in barber schools or colleges doing barber service work, to use separate
250.3 and clean towels for each customer or patron, or to discard and launder each towel after
250.4 once being used;

250.5 (8) The failure or refusal by any barber or other person in charge of any barber shop
250.6 or barber school or barber college to supply clean hot and cold water in such quantities as
250.7 may be necessary to conduct such shop, or the barbering service of such school or college,
250.8 in a sanitary manner, or the failure or refusal of any such person to have water and sewer
250.9 connections from such shop, or barber school or college, with municipal water and sewer
250.10 systems where the latter are available for use, or the failure or refusal of any such person
250.11 to maintain a receptacle for hot water of a capacity of not less than five gallons;

250.12 (9) For the purposes of this section, barbers, students, ~~apprentices~~, or the proprietor
250.13 or manager of a barber shop, or barber school or barber college, shall be responsible for all
250.14 violations of the sanitary sanitation and disinfection provisions of this section, ~~and~~. If any
250.15 barber workstation in any barber shop, or barber school or barber college, upon inspection,
250.16 shall be found to be in an unsanitary condition, the person making such inspection shall
250.17 immediately issue an order to place the barber shop, or barber school, or barber college, in
250.18 a sanitary condition, in a manner and within a time satisfactory to the Board of Barber
250.19 Examiners, and for the failure to comply with such order the board shall immediately file a
250.20 complaint for the arrest of the persons upon whom the order was issued, and any registered
250.21 barber who shall fail to comply with the rules adopted by the Board of Barber Examiners,
250.22 with the approval of the state commissioner of health, or the violation or commission of
250.23 any of the offenses described in this section and section 154.161, subdivision 4, paragraph
250.24 (a), clauses (1), (3), and (4) to (12), shall be fined not less than \$10 or imprisoned for ten
250.25 days and not more than \$100 or imprisoned for 90 days.

250.26 **EFFECTIVE DATE.** This section is effective August 1, 2016.

250.27 Sec. 50. Minnesota Statutes 2014, section 154.21, is amended to read:

250.28 **154.21 PERJURY.**

250.29 The willful making of any false statement as to a material matter in any oath or
250.30 affidavit which is required by the provisions of sections 154.001, 154.002, 154.003,
250.31 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 is perjury
250.32 and punishable as such.

250.33 **EFFECTIVE DATE.** This section is effective August 1, 2016.

251.1 Sec. 51. Minnesota Statutes 2014, section 154.24, is amended to read:

251.2 **154.24 RULES.**

251.3 The Board of Barber Examiners shall have authority to make reasonable rules for the
251.4 administration of the provisions of sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~
251.5 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 and prescribe ~~sanitary~~ sanitation
251.6 and disinfection requirements for barber shops and barber schools, subject to the approval
251.7 of the state commissioner of health. Any member of the board, or its agents or assistants,
251.8 shall have authority to enter upon and to inspect any barber shop or barber school at any
251.9 time during business hours. A copy of the rules adopted by the board shall be furnished by
251.10 it to the owner or manager of each barber shop or barber school and such copy shall be
251.11 posted in a conspicuous place in such barber shop or barber school.

251.12 The board shall keep a record of its proceedings relating to the issuance, refusal,
251.13 renewal, suspension, and revocation of certificates of registration. This record shall
251.14 contain the name, place of business, and residence of each registered barber ~~and registered~~
251.15 ~~apprentice~~, and the date and number of the certificate of registration. This record shall be
251.16 open to public inspection at all reasonable times.

251.17 **EFFECTIVE DATE.** This section is effective August 1, 2016.

251.18 Sec. 52. Minnesota Statutes 2014, section 154.25, is amended to read:

251.19 **154.25 NOT TO SERVE CERTAIN PERSONS.**

251.20 No person practicing the occupation of a barber in any barber shop, barber school, or
251.21 college in this state shall knowingly serve a person afflicted, in a dangerous or infectious
251.22 state of the disease, with ~~erysipelas, eczema, impetigo, sycosis, or any other~~ contagious or
251.23 infectious disease. Any person so afflicted is hereby prohibited from being served in any
251.24 barber shop, barber school, or college in this state. Any violation of this section shall be
251.25 considered a misdemeanor as provided for in sections 154.001, 154.002, 154.003, 154.01
251.26 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28.

251.27 **EFFECTIVE DATE.** This section is effective August 1, 2016.

251.28 Sec. 53. Minnesota Statutes 2014, section 161.368, is amended to read:

251.29 **161.368 HIGHWAY CONTRACTS WITH TRIBAL AUTHORITIES.**

251.30 (a) On behalf of the state, the commissioner may enter into agreements with Indian
251.31 tribal authorities for the purpose of providing maintenance, design, and construction to
251.32 highways on tribal lands. These agreements may include (1) a provision for waiver of

252.1 immunity from suit by a party to the contract on the part of the tribal authority with respect
252.2 to any controversy arising out of the contract and (2) a provision conferring jurisdiction on
252.3 state district courts to hear such a controversy.

252.4 (b) Notwithstanding section 161.32, for construction of highways on tribal lands
252.5 in a reservation exempt from Public Law 83-280, the commissioner may: (1) award
252.6 a preference for Indian-owned contractors to the same extent provided in the applicable
252.7 Tribal Employment Rights Ordinance, but not to exceed ten percent; or (2) negotiate
252.8 with the tribal authority and enter into an agreement for the tribal authority to award and
252.9 administer the construction contract, with the commissioner providing funding for the
252.10 state share of the project. If negotiating with the tribal authority, the commissioner must
252.11 perform an independent cost estimate and determine that the cost proposed by the tribal
252.12 authority is reasonable. An agreement negotiated with a tribal authority must include a
252.13 clause requiring conformance with plans and specifications approved by the commissioner.

252.14 Sec. 54. Minnesota Statutes 2014, section 197.455, subdivision 1, is amended to read:

252.15 Subdivision 1. **Application.** (a) This section shall govern preference of a veteran
252.16 under the civil service laws, charter provisions, ordinances, rules or regulations of a
252.17 county, home rule charter or statutory city, town, school district, or other municipality
252.18 or political subdivision of this state. Any provision in a law, charter, ordinance, rule or
252.19 regulation contrary to the applicable provisions of this section is void to the extent of
252.20 such inconsistency.

252.21 (b) Sections 197.46 to 197.481 also apply to a veteran who is an incumbent in a
252.22 classified appointment in the state civil service and has completed the probationary period
252.23 for that position, as defined under section 43A.16. In matters of dismissal from such a
252.24 position, a qualified veteran has the irrevocable option of using the procedures described
252.25 in sections 197.46 to 197.481, or the procedures provided in the collective bargaining
252.26 agreement applicable to the person, but not both. For a qualified veteran electing to use
252.27 the procedures of sections 197.46 to 197.481, the matters governed by those sections must
252.28 not be considered grievances under a collective bargaining agreement, and if a veteran
252.29 elects to appeal the dispute through those sections, the veteran is precluded from making
252.30 an appeal under the grievance procedure of the collective bargaining agreement.

252.31 (c) A county, home rule charter or statutory city, town, school district, or other
252.32 municipality or political subdivision may require a veteran to complete an initial hiring
252.33 probationary period, as defined under section 43A.16. In matters of dismissal, a veteran
252.34 employed by a county, home rule charter or statutory city, town, school district, or other

253.1 municipality or political subdivision is entitled to the same rights and legal protections
253.2 that state employees receive under paragraph (b).

253.3 Sec. 55. Minnesota Statutes 2015 Supplement, section 197.46, is amended to read:

253.4 **197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT**
253.5 **OF MANDAMUS.**

253.6 (a) Any person whose rights may be in any way prejudiced contrary to any of the
253.7 provisions of this section, ~~shall be~~ is entitled to a writ of mandamus to remedy the wrong.
253.8 After any initial hiring probationary period expires, no person holding a position either in
253.9 the state civil service or by appointment or employment in the several counties any county,
253.10 cities home rule charter or statutory city, towns town, school districts and all district, or
253.11 any other political subdivisions subdivision in the state; who is a veteran separated from
253.12 the military service under honorable conditions, shall be removed from ~~such~~ the position
253.13 or employment except for incompetency or misconduct shown after a hearing, upon
253.14 due notice, upon stated charges, in writing.

253.15 (b) Any veteran who has been notified of the intent to discharge the veteran from an
253.16 appointed position or employment pursuant to this section shall be notified in writing of
253.17 ~~such~~ the intent to discharge and of the veteran's right to request a hearing within ~~60~~ 30
253.18 days of receipt of the notice of intent to discharge. The failure of a veteran to request a
253.19 hearing within the provided ~~60-day~~ 30-day period ~~shall constitute~~ constitutes a waiver
253.20 of the right to a hearing. ~~Such~~ The failure ~~shall~~ also ~~waive~~ waives all other available
253.21 legal remedies for reinstatement.

253.22 Request for a hearing concerning such a discharge shall be made in writing and
253.23 submitted by mail or personal service to the employment office of the concerned employer
253.24 or other appropriate office or person. If the veteran requests a hearing under this section,
253.25 ~~such~~ the written request must also contain the veteran's election to be heard by a civil
253.26 service board or commission, a merit authority, or ~~a three-person panel~~ an arbitrator
253.27 as defined in paragraph (c). If the veteran fails to identify the veteran's election, the
253.28 governmental subdivision may select the hearing body.

253.29 (c) In all governmental subdivisions having an established civil service board or
253.30 commission, or merit system authority, ~~such~~ the veteran may elect to have the hearing for
253.31 removal or discharge ~~shall be held~~ before ~~such~~ the civil service board or commission or
253.32 merit system authority, or before an arbitrator as specified in this paragraph. Where no
253.33 ~~such~~ civil service board or commission or merit system authority exists, ~~such~~ the hearing
253.34 shall be held by ~~a board of three persons appointed as follows: one by the governmental~~
253.35 ~~subdivision, one by the veteran, and the third by the two so selected~~ an arbitrator. In cases

254.1 where a hearing will be held by an arbitrator, the employer shall request from the Bureau
 254.2 of Mediation Services a list of seven persons to serve as an arbitrator. The employer
 254.3 shall strike the first name from the list and the parties shall alternately strike names from
 254.4 the list until the name of one arbitrator remains. After receiving each of the employer's
 254.5 elections to strike a person from the list, the veteran has 48 hours to strike a person from
 254.6 the list. The person remaining after the striking procedure must be the arbitrator. Upon the
 254.7 selection of the arbitrator, the employer shall notify the designated arbitrator and request
 254.8 available dates to hold the hearing. In the event that the hearing is authorized to be held
 254.9 before a three-person board an arbitrator, the governmental subdivision's notice of intent
 254.10 to discharge shall state that the veteran must respond within 60 30 days of receipt of the
 254.11 notice of intent to discharge, and provide in writing to the governmental subdivision the
 254.12 name, United States mailing address, and telephone number of the veteran's selected
 254.13 representative for the three-person board. The failure of a veteran to submit the name,
 254.14 address, and telephone number of the veteran's selected representative to the governmental
 254.15 subdivision by mail or by personal service within the provided notice's 60-day period, shall
 254.16 constitute a waiver of the veteran's right to the hearing and all other legal remedies available
 254.17 for reinstatement of the veteran's employment position. In the event the two persons
 254.18 selected by the veteran and governmental subdivision do not appoint the third person within
 254.19 ten days after the appointment of the last of the two, then the judge of the district court of
 254.20 the county wherein the proceeding is pending, or if there be more than one judge in said
 254.21 county then any judge in chambers, shall have jurisdiction to appoint, and Upon application
 254.22 of either or both of the two so selected shall appoint, the third person to the board and the
 254.23 person so appointed by the judge with the two first selected shall constitute the board.

254.24 (d) Either the veteran or the governmental subdivision may appeal from the decision
 254.25 of the board hearing body upon the charges to the district court by causing written notice
 254.26 of appeal, stating the grounds thereof of the appeal, to be served upon the other party
 254.27 within 15 days after notice of the decision and by filing the original notice of appeal
 254.28 with proof of service thereof in the office of the court administrator of the district court
 254.29 within ten days after service thereof. Nothing in section 197.455 or this section shall be
 254.30 construed to apply to the position of private secretary, superintendent of schools, or one
 254.31 chief deputy of any elected official or head of a department, or to any person holding a
 254.32 strictly confidential relation to the appointing officer. Nothing in this section shall be
 254.33 construed to apply to the position of teacher. The burden of establishing such relationship
 254.34 shall be upon the appointing officer in all proceedings and actions relating thereto.

254.35 (e) For disputes heard by a civil service board, commission or merit system
 254.36 authority, or an arbitrator, the political governmental subdivisions shall bear all costs

255.1 associated with the hearing but not including attorney fees for attorneys representing the
255.2 veteran. ~~For disputes heard by a three-person panel, all parties shall bear equally all costs~~
255.3 ~~associated with the hearing, but not including attorney fees for attorneys representing the~~
255.4 ~~veteran.~~ If the veteran prevails in a dispute heard by a civil service board ~~or a three-person~~
255.5 ~~panel,~~ commission or merit system authority, or an arbitrator and the hearing reverses ~~all~~
255.6 ~~aspects of~~ the level of the alleged incompetency or misconduct requiring discharge, the
255.7 governmental subdivision shall pay the veteran's reasonable attorney fees.

255.8 (f) All officers, boards, commissions, and employees shall conform to, comply with,
255.9 and aid in all proper ways in carrying into effect the provisions of section 197.455 and this
255.10 section notwithstanding any laws, charter provisions, ordinances or rules to the contrary.
255.11 Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

255.12 Sec. 56. [240A.085] JAMES METZEN MIGHTY DUCKS ICE CENTER
255.13 DEVELOPMENT ACT.

255.14 Sections 240A.085 to 240A.11 may be cited as the James Metzen Mighty Ducks Ice
255.15 Center Development Act.

255.16 Sec. 57. Minnesota Statutes 2014, section 290.01, subdivision 19b, is amended to read:

255.17 Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates,
255.18 and trusts, there shall be subtracted from federal taxable income:

255.19 (1) net interest income on obligations of any authority, commission, or
255.20 instrumentality of the United States to the extent includable in taxable income for federal
255.21 income tax purposes but exempt from state income tax under the laws of the United States;

255.22 (2) if included in federal taxable income, the amount of any overpayment of income
255.23 tax to Minnesota or to any other state, for any previous taxable year, whether the amount
255.24 is received as a refund or as a credit to another taxable year's income tax liability;

255.25 (3) the amount paid to others, less the amount used to claim the credit allowed under
255.26 section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten
255.27 to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and
255.28 transportation of each qualifying child in attending an elementary or secondary school
255.29 situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a
255.30 resident of this state may legally fulfill the state's compulsory attendance laws, which
255.31 is not operated for profit, and which adheres to the provisions of the Civil Rights Act
255.32 of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or
255.33 tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause,
255.34 "textbooks" includes books and other instructional materials and equipment purchased

256.1 or leased for use in elementary and secondary schools in teaching only those subjects
256.2 legally and commonly taught in public elementary and secondary schools in this state.
256.3 Equipment expenses qualifying for deduction includes expenses as defined and limited in
256.4 section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional
256.5 books and materials used in the teaching of religious tenets, doctrines, or worship, the
256.6 purpose of which is to instill such tenets, doctrines, or worship, nor does it include books
256.7 or materials for, or transportation to, extracurricular activities including sporting events,
256.8 musical or dramatic events, speech activities, driver's education, or similar programs. No
256.9 deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or
256.10 the qualifying child's vehicle to provide such transportation for a qualifying child. For
256.11 purposes of the subtraction provided by this clause, "qualifying child" has the meaning
256.12 given in section 32(c)(3) of the Internal Revenue Code;

256.13 (4) income as provided under section 290.0802;

256.14 (5) to the extent included in federal adjusted gross income, income realized on
256.15 disposition of property exempt from tax under section 290.491;

256.16 (6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E)
256.17 of the Internal Revenue Code in determining federal taxable income by an individual
256.18 who does not itemize deductions for federal income tax purposes for the taxable year, an
256.19 amount equal to 50 percent of the excess of charitable contributions over \$500 allowable
256.20 as a deduction for the taxable year under section 170(a) of the Internal Revenue Code,
256.21 under the provisions of Public Law 109-1 and Public Law 111-126;

256.22 (7) for individuals who are allowed a federal foreign tax credit for taxes that do not
256.23 qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover
256.24 of subnational foreign taxes for the taxable year, but not to exceed the total subnational
256.25 foreign taxes reported in claiming the foreign tax credit. For purposes of this clause,
256.26 "federal foreign tax credit" means the credit allowed under section 27 of the Internal
256.27 Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed
256.28 under section 904(c) of the Internal Revenue Code minus national level foreign taxes to
256.29 the extent they exceed the federal foreign tax credit;

256.30 (8) in each of the five tax years immediately following the tax year in which an
256.31 addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a
256.32 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the
256.33 delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount
256.34 of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c,
256.35 clause (12), in the case of a shareholder of an S corporation, minus the positive value of

257.1 any net operating loss under section 172 of the Internal Revenue Code generated for the
257.2 tax year of the addition. The resulting delayed depreciation cannot be less than zero;

257.3 (9) job opportunity building zone income as provided under section 469.316;

257.4 (10) to the extent included in federal taxable income, the amount of compensation
257.5 paid to members of the Minnesota National Guard or other reserve components of the
257.6 United States military for active service, including compensation for services performed
257.7 under the Active Guard Reserve (AGR) program. For purposes of this clause, "active
257.8 service" means (i) state active service as defined in section 190.05, subdivision 5a, clause
257.9 (1); or (ii) federally funded state active service as defined in section 190.05, subdivision
257.10 5b, and "active service" includes service performed in accordance with section 190.08,
257.11 subdivision 3;

257.12 (11) to the extent included in federal taxable income, the amount of compensation
257.13 paid to Minnesota residents who are members of the armed forces of the United States
257.14 or United Nations for active duty performed under United States Code, title 10; or the
257.15 authority of the United Nations;

257.16 (12) an amount, not to exceed \$10,000, equal to qualified expenses related to a
257.17 qualified donor's donation, while living, of one or more of the qualified donor's organs
257.18 to another person for human organ transplantation. For purposes of this clause, "organ"
257.19 means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow;
257.20 "human organ transplantation" means the medical procedure by which transfer of a human
257.21 organ is made from the body of one person to the body of another person; "qualified
257.22 expenses" means unreimbursed expenses for both the individual and the qualified donor
257.23 for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses
257.24 may be subtracted under this clause only once; and "qualified donor" means the individual
257.25 or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An
257.26 individual may claim the subtraction in this clause for each instance of organ donation for
257.27 transplantation during the taxable year in which the qualified expenses occur;

257.28 (13) in each of the five tax years immediately following the tax year in which an
257.29 addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a
257.30 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the
257.31 addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the
257.32 case of a shareholder of a corporation that is an S corporation, minus the positive value of
257.33 any net operating loss under section 172 of the Internal Revenue Code generated for the
257.34 tax year of the addition. If the net operating loss exceeds the addition for the tax year, a
257.35 subtraction is not allowed under this clause;

258.1 (14) to the extent included in the federal taxable income of a nonresident of
258.2 Minnesota, compensation paid to a service member as defined in United States Code, title
258.3 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief
258.4 Act, Public Law 108-189, section 101(2);

258.5 (15) to the extent included in federal taxable income, the amount of national service
258.6 educational awards received from the National Service Trust under United States Code,
258.7 title 42, sections 12601 to 12604, for service in an approved Americorps National Service
258.8 program;

258.9 (16) to the extent included in federal taxable income, discharge of indebtedness
258.10 income resulting from reacquisition of business indebtedness included in federal taxable
258.11 income under section 108(i) of the Internal Revenue Code. This subtraction applies only
258.12 to the extent that the income was included in net income in a prior year as a result of the
258.13 addition under subdivision 19a, clause (13);

258.14 (17) the amount of the net operating loss allowed under section 290.095, subdivision
258.15 11, paragraph (c);

258.16 (18) the amount of expenses not allowed for federal income tax purposes due
258.17 to claiming the railroad track maintenance credit under section 45G(a) of the Internal
258.18 Revenue Code;

258.19 (19) the amount of the limitation on itemized deductions under section 68(b) of the
258.20 Internal Revenue Code;

258.21 (20) the amount of the phaseout of personal exemptions under section 151(d) of
258.22 the Internal Revenue Code; and

258.23 ~~(21) to the extent included in federal taxable income, the amount of qualified~~
258.24 ~~transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal~~
258.25 ~~Revenue Code. The subtraction is limited to the lesser of the amount of qualified~~
258.26 ~~transportation fringe benefits received in excess of the limitations under section~~
258.27 ~~132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the~~
258.28 ~~maximum qualified parking benefits excludable under section 132(f)(2)(B) of the~~
258.29 ~~Internal Revenue Code minus the amount of transit benefits excludable under section~~
258.30 ~~132(f)(2)(A) of the Internal Revenue Code~~ to the extent included in federal taxable
258.31 income, compensation received from a pension or other retirement pay from the federal
258.32 government for service in the military, as computed under United States Code, title 10,
258.33 sections 1401 to 1414, 1447 to 1455, and 12733. The subtraction must not include any
258.34 amount used to claim the credit allowed under section 290.0677.

258.35 **EFFECTIVE DATE.** The striking of the qualified fringe benefits subtraction is
258.36 effective the day following final enactment, except the changes incorporated by federal

259.1 changes are effective retroactively at the same time as the changes were effective for
259.2 federal purposes. The new subtraction for pension or other military retirement pay is
259.3 effective for taxable years beginning after December 31, 2015.

259.4 Sec. 58. Minnesota Statutes 2014, section 327C.03, subdivision 6, is amended to read:

259.5 Subd. 6. **Payment to the Minnesota manufactured home relocation trust fund.**

259.6 In the event a park owner has been assessed under section 327C.095, subdivision 12,
259.7 paragraph (c), the park owner may collect the ~~\$12~~ \$15 annual payment required by section
259.8 327C.095, subdivision 12, for participation in the relocation trust fund, as a lump sum or,
259.9 along with monthly lot rent, a fee of no more than ~~\$1~~ \$1.25 per month to cover the cost of
259.10 participating in the relocation trust fund. The ~~\$1~~ \$1.25 fee must be separately itemized
259.11 and clearly labeled "Minnesota manufactured home relocation trust fund."

259.12 Sec. 59. Minnesota Statutes 2014, section 327C.095, subdivision 12, is amended to read:

259.13 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.**

259.14 (a) If a manufactured home owner is required to move due to the conversion of all or a
259.15 portion of a manufactured home park to another use, the closure of a park, or cessation of
259.16 use of the land as a manufactured home park, the manufactured park owner shall, upon
259.17 the change in use, pay to the commissioner of management and budget for deposit in the
259.18 Minnesota manufactured home relocation trust fund under section 462A.35, the lesser
259.19 amount of the actual costs of moving or purchasing the manufactured home approved
259.20 by the neutral third party and paid by the Minnesota Housing Finance Agency under
259.21 subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured
259.22 home, and \$6,000 for each multisection manufactured home, for which a manufactured
259.23 home owner has made application for payment of relocation costs under subdivision 13,
259.24 paragraph (c). The manufactured home park owner shall make payments required under
259.25 this section to the Minnesota manufactured home relocation trust fund within 60 days of
259.26 receipt of invoice from the neutral third party.

259.27 (b) A manufactured home park owner is not required to make the payment prescribed
259.28 under paragraph (a), nor is a manufactured home owner entitled to compensation under
259.29 subdivision 13, paragraph (a) or (e), if:

259.30 (1) the manufactured home park owner relocates the manufactured home owner to
259.31 another space in the manufactured home park or to another manufactured home park at
259.32 the park owner's expense;

260.1 (2) the manufactured home owner is vacating the premises and has informed the
260.2 manufactured home park owner or manager of this prior to the mailing date of the closure
260.3 statement under subdivision 1;

260.4 (3) a manufactured home owner has abandoned the manufactured home, or the
260.5 manufactured home owner is not current on the monthly lot rental, personal property taxes;

260.6 (4) the manufactured home owner has a pending eviction action for nonpayment of
260.7 lot rental amount under section 327C.09, which was filed against the manufactured home
260.8 owner prior to the mailing date of the closure statement under subdivision 1, and the writ
260.9 of recovery has been ordered by the district court;

260.10 (5) the conversion of all or a portion of a manufactured home park to another use,
260.11 the closure of a park, or cessation of use of the land as a manufactured home park is the
260.12 result of a taking or exercise of the power of eminent domain by a governmental entity
260.13 or public utility; or

260.14 (6) the owner of the manufactured home is not a resident of the manufactured home
260.15 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home
260.16 is a resident, but came to reside in the manufactured home park after the mailing date of
260.17 the closure statement under subdivision 1.

260.18 (c) If the unencumbered fund balance in the manufactured home relocation trust
260.19 fund is less than \$1,000,000 as of June 30 of each year, the commissioner of management
260.20 and budget shall assess each manufactured home park owner by mail the total amount
260.21 of ~~\$12~~ \$15 for each licensed lot in their park, payable on or before September 15 of that
260.22 year. The commissioner of management and budget shall deposit any payments in the
260.23 Minnesota manufactured home relocation trust fund. On or before July 15 of each year,
260.24 the commissioner of management and budget shall prepare and distribute to park owners a
260.25 letter explaining whether funds are being collected for that year, information about the
260.26 collection, an invoice for all licensed lots, and a sample form for the park owners to collect
260.27 information on which park residents have been accounted for. If assessed under this
260.28 paragraph, the park owner may recoup the cost of the ~~\$12~~ \$15 assessment as a lump sum
260.29 or as a monthly fee of no more than ~~\$4~~ \$1.25 collected from park residents together with
260.30 monthly lot rent as provided in section 327C.03, subdivision 6. Park owners may adjust
260.31 payment for lots in their park that are vacant or otherwise not eligible for contribution to
260.32 the trust fund under section 327C.095, subdivision 12, paragraph (b), and deduct from the
260.33 assessment accordingly.

260.34 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by
260.35 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action

261.1 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable
261.2 attorney fees, court costs, and disbursements.

261.3 Sec. 60. Minnesota Statutes 2014, section 327C.095, subdivision 13, is amended to read:

261.4 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a)

261.5 If a manufactured home owner is required to relocate due to the conversion of all or a
261.6 portion of a manufactured home park to another use, the closure of a manufactured home
261.7 park, or cessation of use of the land as a manufactured home park under subdivision 1,
261.8 and the manufactured home owner complies with the requirements of this section, the
261.9 manufactured home owner is entitled to payment from the Minnesota manufactured home
261.10 relocation trust fund equal to the manufactured home owner's actual relocation costs for
261.11 relocating the manufactured home to a new location within a 25-mile radius of the park
261.12 that is being closed, up to a maximum of ~~\$4,000~~ \$7,000 for a single-section and ~~\$8,000~~
261.13 \$12,500 for a multisection manufactured home. The actual relocation costs must include
261.14 the reasonable cost of taking down, moving, and setting up the manufactured home,
261.15 including equipment rental, utility connection and disconnection charges, minor repairs,
261.16 modifications necessary for transportation of the home, necessary moving permits and
261.17 insurance, moving costs for any appurtenances, which meet applicable local, state, and
261.18 federal building and construction codes.

261.19 (b) A manufactured home owner is not entitled to compensation under paragraph (a)
261.20 if the manufactured home park owner is not required to make a payment to the Minnesota
261.21 manufactured home relocation trust fund under subdivision 12, paragraph (b).

261.22 (c) Except as provided in paragraph (e), in order to obtain payment from the
261.23 Minnesota manufactured home relocation trust fund, the manufactured home owner shall
261.24 submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy
261.25 to the park owner, an application for payment, which includes:

261.26 (1) a copy of the closure statement under subdivision 1;

261.27 (2) a copy of the contract with a moving or towing contractor, which includes the
261.28 relocation costs for relocating the manufactured home;

261.29 (3) a statement with supporting materials of any additional relocation costs as
261.30 outlined in subdivision 1;

261.31 (4) a statement certifying that none of the exceptions to receipt of compensation
261.32 under subdivision 12, paragraph (b), apply to the manufactured home owner;

261.33 (5) a statement from the manufactured park owner that the lot rental is current
261.34 and that the annual ~~\$12~~ \$15 payments to the Minnesota manufactured home relocation
261.35 trust fund have been paid when due; and

262.1 (6) a statement from the county where the manufactured home is located certifying
262.2 that personal property taxes for the manufactured home are paid through the end of that year.

262.3 (d) If the neutral third party has acted reasonably and does not approve or deny
262.4 payment within 45 days after receipt of the information set forth in paragraph (c), the
262.5 payment is deemed approved. Upon approval and request by the neutral third party,
262.6 the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50
262.7 percent of the contract price payable to the mover and towing contractor for relocating
262.8 the manufactured home in the amount of the actual relocation cost, plus a check to the
262.9 home owner for additional certified costs associated with third-party vendors, that were
262.10 necessary in relocating the manufactured home. The moving or towing contractor shall
262.11 receive 50 percent upon execution of the contract and 50 percent upon completion of
262.12 the relocation and approval by the manufactured home owner. The moving or towing
262.13 contractor may not apply the funds to any other purpose other than relocation of the
262.14 manufactured home as provided in the contract. A copy of the approval must be forwarded
262.15 by the neutral third party to the park owner with an invoice for payment of the amount
262.16 specified in subdivision 12, paragraph (a).

262.17 (e) In lieu of collecting a relocation payment from the Minnesota manufactured
262.18 home relocation trust fund under paragraph (a), the manufactured home owner may collect
262.19 an amount from the fund after reasonable efforts to relocate the manufactured home
262.20 have failed due to the age or condition of the manufactured home, or because there are
262.21 no manufactured home parks willing or able to accept the manufactured home within a
262.22 25-mile radius. A manufactured home owner may tender title of the manufactured home in
262.23 the manufactured home park to the manufactured home park owner, and collect an amount
262.24 to be determined by an independent appraisal. The appraiser must be agreed to by both
262.25 the manufactured home park owner and the manufactured home owner. If the appraised
262.26 market value cannot be determined, the tax market value, averaged over a period of five
262.27 years, can be used as a substitute. The maximum amount that may be reimbursed under
262.28 the fund is ~~a maximum of \$5,000~~ \$8,000 for a single-section and ~~\$9,000~~ \$14,500 for a
262.29 multisection manufactured home. The minimum amount that may be reimbursed under the
262.30 fund is \$2,000 for a single section and \$4,000 for a multisection manufactured home. The
262.31 manufactured home owner shall deliver to the manufactured home park owner the current
262.32 certificate of title to the manufactured home duly endorsed by the owner of record, and
262.33 valid releases of all liens shown on the certificate of title, and a statement from the county
262.34 where the manufactured home is located evidencing that the personal property taxes have
262.35 been paid. The manufactured home owner's application for funds under this paragraph
262.36 must include a document certifying that the manufactured home cannot be relocated, that

263.1 the lot rental is current, that the annual ~~\$12~~ \$15 payments to the Minnesota manufactured
263.2 home relocation trust fund have been paid when due, that the manufactured home owner
263.3 has chosen to tender title under this section, and that the park owner agrees to make a
263.4 payment to the commissioner of management and budget in the amount established in
263.5 subdivision 12, paragraph (a), less any documented costs submitted to the neutral third
263.6 party, required for demolition and removal of the home, and any debris or refuse left on the
263.7 lot, not to exceed \$1,000. The manufactured home owner must also provide a copy of the
263.8 certificate of title endorsed by the owner of record, and certify to the neutral third party,
263.9 with a copy to the park owner, that none of the exceptions to receipt of compensation under
263.10 subdivision 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner,
263.11 and that the home owner will vacate the home within 60 days after receipt of payment or the
263.12 date of park closure, whichever is earlier, provided that the monthly lot rent is kept current.

263.13 (f) The Minnesota Housing Finance Agency must make a determination of the
263.14 amount of payment a manufactured home owner would have been entitled to under a local
263.15 ordinance in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured
263.16 home owner's compensation for relocation costs from the fund under section 462A.35, is
263.17 the greater of the amount provided under this subdivision, or the amount under the local
263.18 ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner.
263.19 Nothing in this paragraph is intended to increase the liability of the park owner.

263.20 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall
263.21 be liable to any person for recovery if the funds in the Minnesota manufactured home
263.22 relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing
263.23 Finance Agency shall keep a record of the time and date of its approval of payment to a
263.24 claimant.

263.25 (h) The agency shall report to the chairs of the senate Finance Committee and
263.26 house of representatives Ways and Means Committee by January 15 of each year on
263.27 the Minnesota manufactured home relocation trust fund, including the account balance,
263.28 payments to claimants, the amount of any advances to the fund, the amount of any
263.29 insufficiencies encountered during the previous calendar year, and any administrative
263.30 charges or expenses deducted from the trust fund balance. If sufficient funds become
263.31 available, the Minnesota Housing Finance Agency shall pay the manufactured home
263.32 owner whose unpaid claim is the earliest by time and date of approval.

263.33 Sec. 61. PLAQUE OR MARKER AUTHORIZED TO HONOR CAPITOL
263.34 CONSTRUCTION WORKERS.

264.1 (a) The commissioner of administration shall place a plaque or three-dimensional
264.2 marker in the State Capitol building in a space easily visible to public visitors to recognize
264.3 and honor the efforts and sacrifice of workers who constructed the State Capitol building,
264.4 as well as those who worked on subsequent projects to preserve the building. The plaque
264.5 or marker shall specifically honor the six workers who died during construction of the State
264.6 Capitol building. The Capitol Area Architectural and Planning Board and the Minnesota
264.7 Historical Society shall set the parameters and location for the memorial plaque or marker.

264.8 (b) The Capitol Area Architectural and Planning Board shall conduct an opportunity
264.9 contest for sixth graders from across the state to submit designs for the memorial plaque
264.10 or marker. The board shall select a design from those submissions to be used as a basis for
264.11 the final production of this plaque or marker by January 1, 2017. The memorial plaque or
264.12 marker shall be installed during the State Capitol remodel.

264.13 **Sec. 62. STUDY ON VETERANS' UNMET NEEDS FOR BEHAVIOR AND**
264.14 **MENTAL HEALTH SERVICES.**

264.15 The commissioner of veterans affairs shall perform a study to quantify and describe
264.16 unmet needs amongst Minnesota veterans for behavioral and mental health services. The
264.17 study will include conducting focus groups of stakeholders, including veterans and their
264.18 families, representatives of the United States Veterans Administration, community referral
264.19 centers, and county veteran service officers. The commissioner of veterans affairs may
264.20 contract with a statewide nonprofit organization to conduct the study. The commissioner
264.21 of veterans affairs shall report by February 15, 2017, to the chairs and ranking minority
264.22 members of the committees in the house of representatives and the senate with jurisdiction
264.23 over veterans policy and budget with the findings of the study and with recommendations
264.24 about how current services provided to veterans could be expanded to better meet the
264.25 needs identified by the study.

264.26 **Sec. 63. FEASIBILITY STUDY ON PARTNERSHIPS TO PROVIDE INTERIM**
264.27 **HOUSING FOR DISABLED VETERANS.**

264.28 The commissioner of veterans affairs shall study the feasibility of partnering with
264.29 an established nonprofit organization to provide interim housing for disabled veterans in
264.30 conjunction with fully integrated and customizable support services. The commissioner of
264.31 veterans affairs shall submit a report including its findings and recommendations regarding
264.32 the feasibility of such a partnership to the chairs and ranking minority members of the
264.33 standing committees in the house of representatives and the senate having jurisdiction
264.34 over veterans affairs by February 15, 2017.

265.1 Sec. 64. **MEMORIAL COMMEMORATING RECIPIENTS OF THE MEDAL**
265.2 **OF HONOR.**

265.3 Subdivision 1. Medal of Honor Memorial on the State Capitol grounds. Subject
265.4 to approval by the Capitol Area Architectural and Planning Board, the commissioner of
265.5 administration shall place a memorial on the State Capitol grounds to honor Minnesotans
265.6 awarded the Medal of Honor.

265.7 Subd. 2. Gifts and grants. The commissioner of veterans affairs may solicit gifts,
265.8 grants, or donations of any kind from any private or public source to carry out the purposes
265.9 of this section. A Medal of Honor Memorial account is created in the special revenue
265.10 fund. All gifts, grants, or donations received by the commissioner shall be deposited in a
265.11 Medal of Honor Memorial account in the special revenue fund. Money in the account is
265.12 appropriated to the commissioner of administration for predesign, design, construction,
265.13 and ongoing maintenance of the memorial.

265.14 Subd. 3. Restrictions. Money deposited in the Medal of Honor Memorial account
265.15 is not available until the commissioner of management and budget has determined an
265.16 amount sufficient to complete predesign of the memorial has been committed to the project
265.17 from nonstate sources. The commissioner of administration shall not begin construction
265.18 on this project until money in the account is sufficient to pay for all costs related to
265.19 construction and ongoing maintenance of the memorial.

265.20 Sec. 65. **LEGISLATIVE ADVISORY COMMISSION; FEDERAL FUNDS.**

265.21 The commissioner of management and budget, in consultation with legislative
265.22 nonpartisan fiscal staff, shall review and recommend the federal funds that should not be
265.23 subject to review by the Legislative Advisory Commission, under Minnesota Statutes,
265.24 section 3.3005. The commissioner shall make this recommendation before the 2017
265.25 regular legislative session.

265.26 Sec. 66. **LEGISLATIVE SURROGACY COMMISSION.**

265.27 Subdivision 1. Membership. The Legislative Commission on Surrogacy shall
265.28 consist of 15 members, appointed as follows:

- 265.29 (1) three members of the senate appointed by the senate majority leader;
265.30 (2) three members of the senate appointed by the senate minority leader;
265.31 (3) three members of the house of representatives appointed by the speaker of the
265.32 house;

266.1 (4) three members of the house of representatives appointed by the house of
266.2 representatives minority leader;
266.3 (5) the commissioner of human services or the commissioner's designee;
266.4 (6) the commissioner of health or the commissioner's designee; and
266.5 (7) a family court referee appointed by the chief justice of the state Supreme Court.
266.6 Appointments must be made by June 1, 2016.

266.7 Subd. 2. **Chair.** The commission shall elect a chair from among its members.

266.8 Subd. 3. **Meetings.** The ranking majority member of the commission who is
266.9 appointed by the senate majority leader shall convene the first meeting by July 1, 2016.
266.10 The commission shall have at least six meetings but may not have more than ten meetings.

266.11 Subd. 4. **Conflict of interest.** A commission member may not participate in or
266.12 vote on a decision of the commission in which the member has either a direct or indirect
266.13 personal financial interest. A witness at a public meeting of the commission must disclose
266.14 any financial conflict of interest.

266.15 Subd. 5. **Duties.** The commission shall develop recommendations on public policy
266.16 and laws regarding surrogacy. To develop the recommendations, the commission shall
266.17 study surrogacy through public hearings, research, and deliberation. Topics for study
266.18 include, but are not limited to:

266.19 (1) potential health and psychological effects and benefits on women who serve
266.20 as surrogates;

266.21 (2) potential health and psychological effects and benefits on children born of
266.22 surrogates;

266.23 (3) business practices of the fertility industry, including attorneys, brokers, and
266.24 clinics;

266.25 (4) considerations related to different forms of surrogacy;

266.26 (5) considerations related to the potential exploitation of women in surrogacy
266.27 arrangements;

266.28 (6) contract law implications when a surrogacy contract is breached;

266.29 (7) potential conflicts with statutes governing private adoption and termination
266.30 of parental rights;

266.31 (8) potential for legal conflicts related to third-party reproduction, including conflicts
266.32 between or amongst the surrogate mother, the intended parents, the child, insurance
266.33 companies, and medical professionals;

266.34 (9) public policy determinations of other jurisdictions with regard to surrogacy; and

267.1 (10) information to be provided to a child born of a surrogate about the child's
267.2 biological and gestational parents.

267.3 Subd. 6. **Reporting.** The commission must submit a report including its
267.4 recommendations and may draft legislation to implement its recommendations to
267.5 the chairs and ranking minority members of the legislative committees with primary
267.6 jurisdiction over health and judiciary in the house of representatives and senate by
267.7 December 15, 2016. On topics where the commission fails to reach consensus, a majority
267.8 and minority report shall be issued.

267.9 Subd. 7. **Staffing.** The Legislative Coordinating Commission shall provide staffing
267.10 and administrative support to the commission.

267.11 Subd. 8. **Expiration.** The commission expires the day after submitting the report
267.12 required under subdivision 6.

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

267.14 Sec. 67. **LCPFP STUDY OF JOINT BUDGET TARGET PROCESS; TIMING.**

267.15 The Legislative Commission on Planning and Fiscal Policy shall study and make
267.16 recommendations to the legislature by January 15, 2017, on the process and timing for
267.17 the legislature to establish joint budget targets. In preparing its recommendations, the
267.18 commission must take public testimony.

267.19 Sec. 68. **RULEMAKING.**

267.20 The Board of Barber Examiners may use expedited rulemaking procedures under
267.21 Minnesota Statutes, section 14.389, to amend Minnesota Rules, chapter 2100, to conform
267.22 with sections 29 to 52 and sections 69 and 70.

267.23 **EFFECTIVE DATE.** This section is effective August 1, 2016.

267.24 Sec. 69. **TRANSITIONING APPRENTICE BARBERS TO REGISTERED**
267.25 **BARBERS.**

267.26 An apprentice barber practicing on August 1, 2016, is eligible to apply for registered
267.27 barber status. An apprentice barber must take the registered barber examination to become
267.28 a registered barber. All apprentice barber registrations will be discontinued on December
267.29 31, 2017.

267.30 **EFFECTIVE DATE.** This section is effective August 1, 2016.

268.1 Sec. 70. **REPEALER.**

268.2 Minnesota Statutes 2014, sections 154.03; 154.06; 154.11, subdivision 2; and
268.3 154.12, are repealed effective August 1, 2016.

268.4 **ARTICLE 14**

268.5 **MISCELLANEOUS**

268.6 Section 1. **[290.0685] CREDIT FOR PARENTS OF STILLBORN CHILDREN.**

268.7 Subdivision 1. **Credit allowed.** (a) An individual is allowed a credit against the
268.8 tax imposed by this chapter equal to \$2,000 for each birth for which a certificate of
268.9 birth resulting in stillbirth has been issued under section 144.2151. The credit under
268.10 this section is allowed only in the taxable year in which the stillbirth occurred and if
268.11 the child would have been a dependent of the taxpayer as defined in section 152 of the
268.12 Internal Revenue Code.

268.13 (b) For a nonresident or part-year resident, the credit must be allocated based on the
268.14 percentage calculated under section 290.06, subdivision 2c, paragraph (e).

268.15 Subd. 2. **Credit refundable.** If the amount of credit that an individual is
268.16 allowed under this section exceeds the individual's tax liability under this chapter, the
268.17 commissioner shall refund the excess to the individual.

268.18 Subd. 3. **Appropriation.** An amount sufficient to pay the refunds required by this
268.19 section is appropriated to the commissioner from the general fund.

268.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
268.21 December 31, 2015.

268.22 Sec. 2. Minnesota Statutes 2014, section 297A.62, subdivision 3, is amended to read:

268.23 Subd. 3. **Manufactured housing and park trailers; modular housing.** (a) For
268.24 retail sales of manufactured homes as defined in section 327.31, subdivision 6, for
268.25 residential uses, the sales tax under subdivisions 1 and 1a is imposed on 65 percent of the
268.26 dealer's cost of the manufactured home. For retail sales of new or used park trailers, as
268.27 defined in section 168.002, subdivision 23, the sales tax under subdivisions 1 and 1a is
268.28 imposed on 65 percent of the sales price of the park trailer.

268.29 (b) For retail sales of a modular home as defined in section 297A.668, subdivision 8,
268.30 paragraph (b), for residential uses, the sales tax under subdivisions 1 and 1a is imposed on
268.31 65 percent of the modular home manufacturer's sales price of the modular home.

268.32 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
268.33 June 30, 2016.

269.1 Sec. 3. Minnesota Statutes 2014, section 299A.41, subdivision 3, is amended to read:

269.2 Subd. 3. **Killed in the line of duty.** "Killed in the line of duty" does not include
269.3 deaths from natural causes, except as provided in this subdivision. In the case of a ~~peace~~
269.4 public safety officer, "killed in the line of duty" includes the death of ~~an~~ a public safety
269.5 officer caused by accidental means while the ~~peace~~ public safety officer is acting in the
269.6 course and scope of duties as a ~~peace~~ public safety officer. Killed in the line of duty also
269.7 means if a public safety officer dies as the direct and proximate result of a heart attack,
269.8 stroke, or vascular rupture, that officer shall be presumed to have died as the direct and
269.9 proximate result of a personal injury sustained in the line of duty if:

269.10 (1) that officer, while on duty:

269.11 (i) engaged in a situation, and that engagement involved nonroutine stressful or
269.12 strenuous physical law enforcement, fire suppression, rescue, hazardous material response,
269.13 emergency medical services, prison security, disaster relief, or other emergency response
269.14 activity; or

269.15 (ii) participated in a training exercise, and that participation involved nonroutine
269.16 stressful or strenuous physical activity;

269.17 (2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

269.18 (i) while engaging or participating under clause (1);

269.19 (ii) while still on duty after engaging or participating under clause (1); or

269.20 (iii) not later than 24 hours after engaging or participating under clause (1); and

269.21 (3) the presumption is not overcome by competent medical evidence to the contrary.

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

269.23 Sec. 4. Minnesota Statutes 2014, section 299A.41, subdivision 4, is amended to read:

269.24 Subd. 4. **Public safety officer.** "Public safety officer" includes:

269.25 (1) a peace officer defined in section 626.84, subdivision 1, paragraph (c) or (d);

269.26 (2) a correction officer employed at a correctional facility and charged with
269.27 maintaining the safety, security, discipline, and custody of inmates at the facility;

269.28 (3) an individual employed on a full-time basis by the state or by a fire department of
269.29 a governmental subdivision of the state, who is engaged in any of the following duties:

269.30 (i) firefighting;

269.31 (ii) emergency motor vehicle operation;

269.32 (iii) investigation into the cause and origin of fires;

269.33 (iv) the provision of emergency medical services; or

269.34 (v) hazardous material responder;

270.1 (4) a legally enrolled member of a volunteer fire department or member of an
270.2 independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

270.3 (5) a good samaritan while complying with the request or direction of a public
270.4 safety officer to assist the officer;

270.5 (6) a reserve police officer or a reserve deputy sheriff while acting under the
270.6 supervision and authority of a political subdivision;

270.7 (7) a driver or attendant with a licensed basic or advanced life-support transportation
270.8 service who is engaged in providing emergency care;

270.9 (8) a first responder who is certified by the emergency medical services regulatory
270.10 board to perform basic emergency skills before the arrival of a licensed ambulance service
270.11 and who is a member of an organized service recognized by a local political subdivision
270.12 to respond to medical emergencies to provide initial medical care before the arrival of
270.13 an ambulance; and

270.14 (9) a person, other than a state trooper, employed by the commissioner of public
270.15 safety and assigned to the State Patrol, whose primary employment duty is either Capitol
270.16 security or the enforcement of commercial motor vehicle laws and regulations.

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

270.18 Sec. 5. **APPROPRIATION; PUBLIC SAFETY.**

270.19 \$260,000 in fiscal year 2017 is appropriated from the general fund to the
270.20 commissioner of public safety for payment of public safety officer survivor benefits. This
270.21 is added to the appropriation in Laws 2015, chapter 75, article 1, section 5, subdivision 2,
270.22 paragraph (b).

270.23 **ARTICLE 15**

270.24 **CHILDREN AND FAMILIES**

270.25 Section 1. Minnesota Statutes 2014, section 145.4716, subdivision 2, is amended to read:

270.26 Subd. 2. **Duties of director.** The director of child sex trafficking prevention is
270.27 responsible for the following:

270.28 (1) developing and providing comprehensive training on sexual exploitation of
270.29 youth for social service professionals, medical professionals, public health workers, and
270.30 criminal justice professionals;

270.31 (2) collecting, organizing, maintaining, and disseminating information on sexual
270.32 exploitation and services across the state, including maintaining a list of resources on the
270.33 Department of Health Web site;

271.1 (3) monitoring and applying for federal funding for antitrafficking efforts that may
271.2 benefit victims in the state;

271.3 (4) managing grant programs established under sections 145.4716 to 145.4718,
271.4 and 609.3241, paragraph (c), clause (3);

271.5 (5) managing the request for proposals for grants for comprehensive services,
271.6 including trauma-informed, culturally specific services;

271.7 (6) identifying best practices in serving sexually exploited youth, as defined in
271.8 section 260C.007, subdivision 31;

271.9 (7) providing oversight of and technical support to regional navigators pursuant to
271.10 section 145.4717;

271.11 (8) conducting a comprehensive evaluation of the statewide program for safe harbor
271.12 of sexually exploited youth; and

271.13 (9) developing a policy consistent with the requirements of chapter 13 for sharing
271.14 data related to sexually exploited youth, as defined in section 260C.007, subdivision 31,
271.15 among regional navigators and community-based advocates.

271.16 Sec. 2. Minnesota Statutes 2014, section 145.4716, is amended by adding a subdivision
271.17 to read:

271.18 Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger shall be
271.19 eligible for all services, support, and programs provided under this section and section
271.20 145.4717, and all shelter, housing beds, and services provided by the commissioner of
271.21 human services to sexually exploited youth and youth at risk of sexual exploitation.

271.22 Sec. 3. Minnesota Statutes 2014, section 256D.051, subdivision 6b, is amended to read:

271.23 Subd. 6b. **Federal reimbursement.** (a) Federal financial participation from
271.24 the United States Department of Agriculture for food stamp employment and training
271.25 expenditures that are eligible for reimbursement through the food stamp employment and
271.26 training program are dedicated funds and are annually appropriated to the commissioner
271.27 of human services for the operation of the food stamp employment and training program.

271.28 (b) The appropriation must be used for skill attainment through employment,
271.29 training, and support services for food stamp participants. By February 15, 2017, the
271.30 commissioner shall report to the chairs and ranking minority members of the legislative
271.31 committees having jurisdiction over the food stamp employment and training program on
271.32 the progress of securing additional federal reimbursement dollars under this program.

272.1 (c) Federal financial participation for the nonstate portion of food stamp employment
272.2 and training costs must be paid to the county agency or service provider that incurred
272.3 the costs.

272.4 **EFFECTIVE DATE.** This section is effective October 1, 2016.

272.5 Sec. 4. Minnesota Statutes 2014, section 256N.26, subdivision 3, is amended to read:

272.6 Subd. 3. **Basic monthly rate.** From ~~January 1, 2015~~ July 1, 2017, to June 30, 2016
272.7 2018, the basic monthly rate must be according to the following schedule:

272.8	Ages 0-5	\$565 <u>\$650</u> per month
272.9	Ages 6-12	\$670 <u>\$770</u> per month
272.10	Ages 13 and older	\$790 <u>\$910</u> per month

272.11 Sec. 5. Minnesota Statutes 2015 Supplement, section 256P.06, subdivision 3, is
272.12 amended to read:

272.13 Subd. 3. **Income inclusions.** The following must be included in determining the
272.14 income of an assistance unit:

272.15 (1) earned income; and

272.16 (2) unearned income, which includes:

272.17 (i) interest and dividends from investments and savings;

272.18 (ii) capital gains as defined by the Internal Revenue Service from any sale of real
272.19 property;

272.20 (iii) proceeds from rent and contract for deed payments in excess of the principal
272.21 and interest portion owed on property;

272.22 (iv) income from trusts, excluding special needs and supplemental needs trusts;

272.23 (v) interest income from loans made by the participant or household;

272.24 (vi) cash prizes and winnings;

272.25 (vii) unemployment insurance income;

272.26 (viii) retirement, survivors, and disability insurance payments;

272.27 (ix) nonrecurring income over \$60 per quarter unless earmarked and used for the
272.28 purpose for which it is intended. Income and use of this income is subject to verification
272.29 requirements under section 256P.04;

272.30 (x) retirement benefits;

272.31 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D,
272.32 256I, and 256J;

272.33 (xii) tribal per capita payments unless excluded by federal and state law;

- 273.1 (xiii) income and payments from service and rehabilitation programs that meet
273.2 or exceed the state's minimum wage rate;
- 273.3 (xiv) income from members of the United States armed forces unless excluded from
273.4 income taxes according to federal or state law;
- 273.5 (xv) all child support payments for programs under chapters 119B, 256D, and 256I;
- 273.6 (xvi) the amount of ~~current~~ child support received that exceeds \$100 for assistance
273.7 units with one child and \$200 for assistance units with two or more children for programs
273.8 under chapter 256J; and
- 273.9 (xvii) spousal support.

273.10 Sec. 6. **[260C.125] CASE TRANSFER PROCESS.**

273.11 Subdivision 1. Purpose. This section pertains to the transfer of responsibility for
273.12 the placement and care of an Indian child in out-of-home placement from the responsible
273.13 social services agency to a tribal title IV-E agency or an Indian tribe in and outside of
273.14 Minnesota with a title IV-E agreement.

273.15 Subd. 2. Establishment of transfer procedures. The responsible social services
273.16 agency shall establish and maintain procedures, in consultation with Indian tribes, for the
273.17 transfer of responsibility for placement and care of a child to a tribal agency. Transfer of a
273.18 child's case under this section shall not affect the child's title IV-E and Medicaid eligibility.

273.19 Subd. 3. Title IV-E eligibility. If a child's title IV-E eligibility has not been
273.20 determined by the responsible social services agency by the time of transfer, it shall be
273.21 established at the time of the transfer by the responsible social services agency.

273.22 Subd. 4. Documentation and information. Essential documents and information
273.23 shall be transferred to a tribal agency, including but not limited to:

273.24 (1) district court judicial determinations to the effect that continuation in the home
273.25 from which the child was removed would be contrary to the welfare of the child and that
273.26 reasonable efforts were made to ensure placement prevention and family reunification
273.27 pursuant to section 260.012;

273.28 (2) documentation related to the child's permanency proceeding under sections
273.29 260C.503 to 260C.521;

273.30 (3) documentation from the responsible social services agency related to the child's
273.31 title IV-E eligibility;

273.32 (4) documentation regarding the child's eligibility or potential eligibility for other
273.33 federal benefits;

273.34 (5) the child's case plan, developed pursuant to the Social Security Act, United
273.35 States Code, title 42, sections 675(1) and 675a, including health and education records

274.1 of the child pursuant to the Social Security Act, United States Code, title 42, section
274.2 675(1)(c); and section 260C.212, subdivision 1, and information; and
274.3 (6) documentation of the child's placement setting, including a copy of the most
274.4 recent provider's license.

274.5 Sec. 7. Minnesota Statutes 2015 Supplement, section 260C.203, is amended to read:

274.6 **260C.203 ADMINISTRATIVE OR COURT REVIEW OF PLACEMENTS.**

274.7 (a) Unless the court is conducting the reviews required under section 260C.202,
274.8 there shall be an administrative review of the out-of-home placement plan of each child
274.9 placed in foster care no later than 180 days after the initial placement of the child in foster
274.10 care and at least every six months thereafter if the child is not returned to the home of the
274.11 parent or parents within that time. The out-of-home placement plan must be monitored and
274.12 updated at each administrative review. The administrative review shall be conducted by
274.13 the responsible social services agency using a panel of appropriate persons at least one of
274.14 whom is not responsible for the case management of, or the delivery of services to, either
274.15 the child or the parents who are the subject of the review. The administrative review shall
274.16 be open to participation by the parent or guardian of the child and the child, as appropriate.

274.17 (b) As an alternative to the administrative review required in paragraph (a), the court
274.18 may, as part of any hearing required under the Minnesota Rules of Juvenile Protection
274.19 Procedure, conduct a hearing to monitor and update the out-of-home placement plan
274.20 pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph
274.21 (d). The party requesting review of the out-of-home placement plan shall give parties to
274.22 the proceeding notice of the request to review and update the out-of-home placement
274.23 plan. A court review conducted pursuant to section 260C.141, subdivision 2; 260C.193;
274.24 260C.201, subdivision 1; 260C.202; 260C.204; 260C.317; or 260D.06 shall satisfy the
274.25 requirement for the review so long as the other requirements of this section are met.

274.26 (c) As appropriate to the stage of the proceedings and relevant court orders, the
274.27 responsible social services agency or the court shall review:

- 274.28 (1) the safety, permanency needs, and well-being of the child;
- 274.29 (2) the continuing necessity for and appropriateness of the placement;
- 274.30 (3) the extent of compliance with the out-of-home placement plan;
- 274.31 (4) the extent of progress that has been made toward alleviating or mitigating the
274.32 causes necessitating placement in foster care;
- 274.33 (5) the projected date by which the child may be returned to and safely maintained in
274.34 the home or placed permanently away from the care of the parent or parents or guardian; and
- 274.35 (6) the appropriateness of the services provided to the child.

275.1 (d) When a child is age 14 or older;

275.2 (1) in addition to any administrative review conducted by the responsible social
275.3 services agency, at the in-court review required under section 260C.317, subdivision
275.4 3, clause (3), or 260C.515, subdivision 5 or 6, the court shall review the independent
275.5 living plan required under section 260C.212, subdivision 1, paragraph (c), clause (12),
275.6 and the provision of services to the child related to the well-being of the child as the
275.7 child prepares to leave foster care. The review shall include the actual plans related to
275.8 each item in the plan necessary to the child's future safety and well-being when the child
275.9 is no longer in foster care; and

275.10 ~~(e) At the court review required under paragraph (d) for a child age 14 or older,~~
275.11 ~~the following procedures apply:~~

275.12 ~~(1) six months before the child is expected to be discharged from foster care, the~~
275.13 ~~responsible social services agency shall give the written notice required under section~~
275.14 ~~260C.451, subdivision 1, regarding the right to continued access to services for certain~~
275.15 ~~children in foster care past age 18 and of the right to appeal a denial of social services~~
275.16 ~~under section 256.045. The agency shall file a copy of the notice, including the right to~~
275.17 ~~appeal a denial of social services, with the court. If the agency does not file the notice by~~
275.18 ~~the time the child is age 17-1/2, the court shall require the agency to give it;~~

275.19 (2) consistent with the requirements of the independent living plan, the court shall
275.20 review progress toward or accomplishment of the following goals:

275.21 (i) the child has obtained a high school diploma or its equivalent;

275.22 (ii) the child has completed a driver's education course or has demonstrated the
275.23 ability to use public transportation in the child's community;

275.24 (iii) the child is employed or enrolled in postsecondary education;

275.25 (iv) the child has applied for and obtained postsecondary education financial aid for
275.26 which the child is eligible;

275.27 (v) the child has health care coverage and health care providers to meet the child's
275.28 physical and mental health needs;

275.29 (vi) the child has applied for and obtained disability income assistance for which
275.30 the child is eligible;

275.31 (vii) the child has obtained affordable housing with necessary supports, which does
275.32 not include a homeless shelter;

275.33 (viii) the child has saved sufficient funds to pay for the first month's rent and a
275.34 damage deposit;

275.35 (ix) the child has an alternative affordable housing plan, which does not include a
275.36 homeless shelter, if the original housing plan is unworkable;

276.1 (x) the child, if male, has registered for the Selective Service; and

276.2 (xi) the child has a permanent connection to a caring adult; and

276.3 ~~(3) the court shall ensure that the responsible agency in conjunction with the~~
276.4 ~~placement provider assists the child in obtaining the following documents prior to the~~
276.5 ~~child's leaving foster care: a Social Security card; the child's birth certificate; a state~~
276.6 ~~identification card or driver's license, tribal enrollment identification card, green card, or~~
276.7 ~~school visa; the child's school, medical, and dental records; a contact list of the child's~~
276.8 ~~medical, dental, and mental health providers; and contact information for the child's~~
276.9 ~~siblings, if the siblings are in foster care.~~

276.10 ~~(f) For a child who will be discharged from foster care at age 18 or older, the~~
276.11 ~~responsible social services agency is required to develop a personalized transition plan as~~
276.12 ~~directed by the youth. The transition plan must be developed during the 90-day period~~
276.13 ~~immediately prior to the expected date of discharge. The transition plan must be as~~
276.14 ~~detailed as the child may elect and include specific options on housing, health insurance,~~
276.15 ~~education, local opportunities for mentors and continuing support services, and work force~~
276.16 ~~supports and employment services. The agency shall ensure that the youth receives, at~~
276.17 ~~no cost to the youth, a copy of the youth's consumer credit report as defined in section~~
276.18 ~~13C.001 and assistance in interpreting and resolving any inaccuracies in the report. The~~
276.19 ~~plan must include information on the importance of designating another individual to~~
276.20 ~~make health care treatment decisions on behalf of the child if the child becomes unable~~
276.21 ~~to participate in these decisions and the child does not have, or does not want, a relative~~
276.22 ~~who would otherwise be authorized to make these decisions. The plan must provide the~~
276.23 ~~child with the option to execute a health care directive as provided under chapter 145C.~~
276.24 ~~The agency shall also provide the youth with appropriate contact information if the youth~~
276.25 ~~needs more information or needs help dealing with a crisis situation through age 21.~~

276.26 Sec. 8. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 1, is
276.27 amended to read:

276.28 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan
276.29 shall be prepared within 30 days after any child is placed in foster care by court order or a
276.30 voluntary placement agreement between the responsible social services agency and the
276.31 child's parent pursuant to section 260C.227 or chapter 260D.

276.32 (b) An out-of-home placement plan means a written document which is prepared
276.33 by the responsible social services agency jointly with the parent or parents or guardian
276.34 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the
276.35 child is an Indian child, the child's foster parent or representative of the foster care facility,

277.1 and, where appropriate, the child. When a child is age 14 or older, the child may include
277.2 two other individuals on the team preparing the child's out-of-home placement plan. The
277.3 child may select one member of the case planning team to be designated as the child's
277.4 advisor and to advocate with respect to the application of the reasonable and prudent
277.5 parenting standards. The responsible social services agency may reject an individual
277.6 selected by the child if the agency has good cause to believe that the individual would
277.7 not act in the best interest of the child. For a child in voluntary foster care for treatment
277.8 under chapter 260D, preparation of the out-of-home placement plan shall additionally
277.9 include the child's mental health treatment provider. For a child 18 years of age or older,
277.10 the responsible social services agency shall involve the child and the child's parents as
277.11 appropriate. As appropriate, the plan shall be:

277.12 (1) submitted to the court for approval under section 260C.178, subdivision 7;

277.13 (2) ordered by the court, either as presented or modified after hearing, under section
277.14 260C.178, subdivision 7, or 260C.201, subdivision 6; and

277.15 (3) signed by the parent or parents or guardian of the child, the child's guardian ad
277.16 litem, a representative of the child's tribe, the responsible social services agency, and, if
277.17 possible, the child.

277.18 (c) The out-of-home placement plan shall be explained to all persons involved in its
277.19 implementation, including the child who has signed the plan, and shall set forth:

277.20 (1) a description of the foster care home or facility selected, including how the
277.21 out-of-home placement plan is designed to achieve a safe placement for the child in the
277.22 least restrictive, most family-like, setting available which is in close proximity to the home
277.23 of the parent or parents or guardian of the child when the case plan goal is reunification,
277.24 and how the placement is consistent with the best interests and special needs of the child
277.25 according to the factors under subdivision 2, paragraph (b);

277.26 (2) the specific reasons for the placement of the child in foster care, and when
277.27 reunification is the plan, a description of the problems or conditions in the home of the
277.28 parent or parents which necessitated removal of the child from home and the changes the
277.29 parent or parents must make ~~in order~~ for the child to safely return home;

277.30 (3) a description of the services offered and provided to prevent removal of the child
277.31 from the home and to reunify the family including:

277.32 (i) the specific actions to be taken by the parent or parents of the child to eliminate
277.33 or correct the problems or conditions identified in clause (2), and the time period during
277.34 which the actions are to be taken; and

277.35 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made
277.36 to achieve a safe and stable home for the child including social and other supportive

278.1 services to be provided or offered to the parent or parents or guardian of the child, the
278.2 child, and the residential facility during the period the child is in the residential facility;

278.3 (4) a description of any services or resources that were requested by the child or the
278.4 child's parent, guardian, foster parent, or custodian since the date of the child's placement
278.5 in the residential facility, and whether those services or resources were provided and if
278.6 not, the basis for the denial of the services or resources;

278.7 (5) the visitation plan for the parent or parents or guardian, other relatives as defined
278.8 in section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not
278.9 placed together in foster care, and whether visitation is consistent with the best interest
278.10 of the child, during the period the child is in foster care;

278.11 (6) when a child cannot return to or be in the care of either parent, documentation
278.12 of steps to finalize adoption as the permanency plan for the child through reasonable
278.13 efforts to place the child for adoption. At a minimum, the documentation must include
278.14 consideration of whether adoption is in the best interests of the child, child-specific
278.15 recruitment efforts such as relative search and the use of state, regional, and national
278.16 adoption exchanges to facilitate orderly and timely placements in and outside of the state.
278.17 A copy of this documentation shall be provided to the court in the review required under
278.18 section 260C.317, subdivision 3, paragraph (b);

278.19 (7) when a child cannot return to or be in the care of either parent, documentation
278.20 of steps to finalize the transfer of permanent legal and physical custody to a relative as
278.21 the permanency plan for the child. This documentation must support the requirements of
278.22 the kinship placement agreement under section 256N.22 and must include the reasonable
278.23 efforts used to determine that it is not appropriate for the child to return home or be
278.24 adopted, and reasons why permanent placement with a relative through a Northstar kinship
278.25 assistance arrangement is in the child's best interest; how the child meets the eligibility
278.26 requirements for Northstar kinship assistance payments; agency efforts to discuss adoption
278.27 with the child's relative foster parent and reasons why the relative foster parent chose not
278.28 to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or
278.29 parents the permanent transfer of permanent legal and physical custody or the reasons
278.30 why these efforts were not made;

278.31 (8) efforts to ensure the child's educational stability while in foster care, ~~including~~
278.32 for a child who attained the minimum age for compulsory school attendance under state
278.33 law and is enrolled full time in elementary or secondary school, or instructed in elementary
278.34 or secondary education at home, or instructed in an independent study elementary or
278.35 secondary program, or incapable of attending school on a full-time basis due to a medical

279.1 condition that is documented and supported by regularly updated information in the child's
279.2 case plan. Educational stability efforts include:

279.3 (i) efforts to ensure that the child remains in the same school in which the child was
279.4 enrolled prior to placement or upon the child's move from one placement to another,
279.5 including efforts to work with the local education authorities to ensure the child's
279.6 educational stability and attendance; or

279.7 (ii) if it is not in the child's best interest to remain in the same school that the child
279.8 was enrolled in prior to placement or move from one placement to another, efforts to
279.9 ensure immediate and appropriate enrollment for the child in a new school;

279.10 (9) the educational records of the child including the most recent information
279.11 available regarding:

279.12 (i) the names and addresses of the child's educational providers;

279.13 (ii) the child's grade level performance;

279.14 (iii) the child's school record;

279.15 (iv) a statement about how the child's placement in foster care takes into account
279.16 proximity to the school in which the child is enrolled at the time of placement; and

279.17 (v) any other relevant educational information;

279.18 (10) the efforts by the ~~local~~ responsible social services agency to ensure the oversight
279.19 and continuity of health care services for the foster child, including:

279.20 (i) the plan to schedule the child's initial health screens;

279.21 (ii) how the child's known medical problems and identified needs from the screens,
279.22 including any known communicable diseases, as defined in section 144.4172, subdivision
279.23 2, ~~will~~ shall be monitored and treated while the child is in foster care;

279.24 (iii) how the child's medical information ~~will~~ shall be updated and shared, including
279.25 the child's immunizations;

279.26 (iv) who is responsible to coordinate and respond to the child's health care needs,
279.27 including the role of the parent, the agency, and the foster parent;

279.28 (v) who is responsible for oversight of the child's prescription medications;

279.29 (vi) how physicians or other appropriate medical and nonmedical professionals ~~will~~
279.30 shall be consulted and involved in assessing the health and well-being of the child and
279.31 determine the appropriate medical treatment for the child; and

279.32 (vii) the responsibility to ensure that the child has access to medical care through
279.33 either medical insurance or medical assistance;

279.34 (11) the health records of the child including information available regarding:

279.35 (i) the names and addresses of the child's health care and dental care providers;

279.36 (ii) a record of the child's immunizations;

280.1 (iii) the child's known medical problems, including any known communicable
280.2 diseases as defined in section 144.4172, subdivision 2;

280.3 (iv) the child's medications; and

280.4 (v) any other relevant health care information such as the child's eligibility for
280.5 medical insurance or medical assistance;

280.6 (12) an independent living plan for a child age 14 years of age or older, developed in
280.7 consultation with the child. The child may select one member of the case planning team to
280.8 be designated as the child's advisor and to advocate with respect to the application of the
280.9 reasonable and prudent parenting standards in subdivision 14. The plan should include,
280.10 but not be limited to, the following objectives:

280.11 (i) educational, vocational, or employment planning;

280.12 (ii) health care planning and medical coverage;

280.13 (iii) transportation including, where appropriate, assisting the child in obtaining a
280.14 driver's license;

280.15 (iv) money management, including the responsibility of the responsible social
280.16 services agency to ensure that the youth child annually receives, at no cost to the youth
280.17 child, a consumer report as defined under section 13C.001 and assistance in interpreting
280.18 and resolving any inaccuracies in the report;

280.19 (v) planning for housing;

280.20 (vi) social and recreational skills;

280.21 (vii) establishing and maintaining connections with the child's family and
280.22 community; and

280.23 (viii) regular opportunities to engage in age-appropriate or developmentally
280.24 appropriate activities typical for the child's age group, taking into consideration the
280.25 capacities of the individual child; ~~and~~

280.26 (13) for a child in voluntary foster care for treatment under chapter 260D, diagnostic
280.27 and assessment information, specific services relating to meeting the mental health care
280.28 needs of the child, and treatment outcomes; and

280.29 (14) for a child 14 years of age or older, a signed acknowledgment that describes
280.30 the child's rights regarding education, health care, visitation, safety and protection from
280.31 exploitation, and court participation; receipt of the documents identified in section
280.32 260C.452; and receipt of an annual credit report. The acknowledgment shall state that the
280.33 rights were explained in an age-appropriate manner to the child.

280.34 (d) The parent or parents or guardian and the child each shall have the right to legal
280.35 counsel in the preparation of the case plan and shall be informed of the right at the time
280.36 of placement of the child. The child shall also have the right to a guardian ad litem.

281.1 If unable to employ counsel from their own resources, the court shall appoint counsel
281.2 upon the request of the parent or parents or the child or the child's legal guardian. The
281.3 parent or parents may also receive assistance from any person or social services agency
281.4 in preparation of the case plan.

281.5 After the plan has been agreed upon by the parties involved or approved or ordered
281.6 by the court, the foster parents shall be fully informed of the provisions of the case plan
281.7 and shall be provided a copy of the plan.

281.8 Upon discharge from foster care, the parent, adoptive parent, or permanent legal and
281.9 physical custodian, as appropriate, and the child, if appropriate, must be provided with
281.10 a current copy of the child's health and education record.

281.11 Sec. 9. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 14,
281.12 is amended to read:

281.13 Subd. 14. **Support age-appropriate and developmentally appropriate activities**
281.14 **for foster children.** (a) Responsible social services agencies and licensed child-placing
281.15 agencies shall support a foster child's emotional and developmental growth by permitting
281.16 the child to participate in activities or events that are generally accepted as suitable
281.17 for children of the same chronological age or are developmentally appropriate for the
281.18 child. "Developmentally appropriate" means based on a child's cognitive, emotional,
281.19 physical, and behavioral capacities that are typical for an age or age group. Foster
281.20 parents and residential facility staff are permitted to allow foster children to participate in
281.21 extracurricular, social, or cultural activities that are typical for the child's age by applying
281.22 reasonable and prudent parenting standards.

281.23 (b) "Reasonable and prudent parenting" means the standards are characterized
281.24 by careful and sensible parenting decisions that maintain the child's health and safety,
281.25 cultural, religious, and are made in the child's tribal values, and best interest interests
281.26 while encouraging the child's emotional and developmental growth.

281.27 (c) The commissioner shall provide guidance about the childhood activities and
281.28 factors a foster parent and authorized residential facility staff must consider when applying
281.29 the reasonable and prudent parenting standards. The factors must include the:

281.30 (1) child's age, maturity, and developmental level;

281.31 (2) risk of activity;

281.32 (3) best interests of the child;

281.33 (4) importance of the experience in the child's emotional and developmental growth;

281.34 (5) importance of a family-like experience;

281.35 (6) behavioral history of the child; and

282.1 (7) wishes of the child's parent or legal guardian, as appropriate.

282.2 (d) A residential facility licensed under Minnesota Rules, chapter 2960, must have
282.3 at least one onsite staff person who is trained on the standards according to section
282.4 260C.215, subdivision 4, and authorized to apply the reasonable and prudent parenting
282.5 standards to decisions involving the approval of a foster child's participation in age and
282.6 developmentally appropriate extracurricular, social, or cultural activities. The onsite staff
282.7 person referenced in this paragraph is not required to be available 24 hours per day.

282.8 (e) The foster parent or designated staff at residential facilities demonstrating
282.9 compliance with the reasonable and prudent parenting standards shall not incur civil
282.10 liability if a foster child is harmed or injured because of participating in approved
282.11 extracurricular, enrichment, cultural, and social activities.

282.12 Sec. 10. Minnesota Statutes 2015 Supplement, section 260C.215, subdivision 4,
282.13 is amended to read:

282.14 Subd. 4. **Duties of commissioner.** The commissioner of human services shall:

282.15 (1) provide practice guidance to responsible social services agencies and licensed
282.16 child-placing agencies that reflect federal and state laws and policy direction on placement
282.17 of children;

282.18 (2) develop criteria for determining whether a prospective adoptive or foster family
282.19 has the ability to understand and validate the child's cultural background;

282.20 (3) provide a standardized training curriculum for adoption and foster care workers
282.21 and administrators who work with children. Training must address the following objectives:

282.22 (i) developing and maintaining sensitivity to all cultures;

282.23 (ii) assessing values and their cultural implications;

282.24 (iii) making individualized placement decisions that advance the best interests of a
282.25 particular child under section 260C.212, subdivision 2; and

282.26 (iv) issues related to cross-cultural placement;

282.27 (4) provide a training curriculum for all prospective adoptive and foster families
282.28 that prepares them to care for the needs of adoptive and foster children taking into
282.29 consideration the needs of children outlined in section 260C.212, subdivision 2, paragraph

282.30 (b), and, as necessary, preparation is continued after placement of the child and includes
282.31 the knowledge and skills related to reasonable and prudent parenting standards for the
282.32 participation of the child in age or developmentally appropriate activities, according to
282.33 section 260C.212, subdivision 14;

282.34 (5) develop and provide to responsible social services agencies and licensed
282.35 child-placing agencies a home study format to assess the capacities and needs of

283.1 prospective adoptive and foster families. The format must address problem-solving skills;
283.2 parenting skills; evaluate the degree to which the prospective family has the ability
283.3 to understand and validate the child's cultural background, and other issues needed to
283.4 provide sufficient information for agencies to make an individualized placement decision
283.5 consistent with section 260C.212, subdivision 2. For a study of a prospective foster parent,
283.6 the format must also address the capacity of the prospective foster parent to provide a
283.7 safe, healthy, smoke-free home environment. If a prospective adoptive parent has also
283.8 been a foster parent, any update necessary to a home study for the purpose of adoption
283.9 may be completed by the licensing authority responsible for the foster parent's license.
283.10 If a prospective adoptive parent with an approved adoptive home study also applies for
283.11 a foster care license, the license application may be made with the same agency which
283.12 provided the adoptive home study; and

283.13 (6) consult with representatives reflecting diverse populations from the councils
283.14 established under sections 3.922 and 15.0145, and other state, local, and community
283.15 organizations.

283.16 Sec. 11. Minnesota Statutes 2015 Supplement, section 260C.451, subdivision 6,
283.17 is amended to read:

283.18 Subd. 6. **Reentering foster care and accessing services after age 18 years of**
283.19 **age and up to 21 years of age.** (a) Upon request of an individual ~~between the ages of~~
283.20 ~~18 and 21~~ who had been under the guardianship of the commissioner and who has left
283.21 foster care without being adopted, the responsible social services agency which had
283.22 been the commissioner's agent for purposes of the guardianship shall develop with the
283.23 individual a plan to increase the individual's ability to live safely and independently using
283.24 the plan requirements of section 260C.212, subdivision 1, paragraph (c), clause (12), and
283.25 to assist the individual to meet one or more of the eligibility criteria in subdivision 4 if
283.26 the individual wants to reenter foster care. The responsible social services agency shall
283.27 provide foster care as required to implement the plan. The responsible social services
283.28 agency shall enter into a voluntary placement agreement under section 260C.229 with the
283.29 individual if the plan includes foster care.

283.30 (b) Individuals who had not been under the guardianship of the commissioner of
283.31 human services prior to 18 years of age ~~18 and are between the ages of 18 and 21~~ may ask
283.32 to reenter foster care after age 18 and, to the extent funds are available, the responsible
283.33 social services agency that had responsibility for planning for the individual before
283.34 discharge from foster care may provide foster care or other services to the individual for

284.1 the purpose of increasing the individual's ability to live safely and independently and to
284.2 meet the eligibility criteria in subdivision 3a, if the individual:

284.3 (1) was in foster care for the six consecutive months prior to the person's 18th
284.4 birthday and was not discharged home, adopted, or received into a relative's home under a
284.5 transfer of permanent legal and physical custody under section 260C.515, subdivision 4; or

284.6 (2) was discharged from foster care while on runaway status after age 15.

284.7 (c) In conjunction with a qualifying and eligible individual under paragraph (b) and
284.8 other appropriate persons, the responsible social services agency shall develop a specific
284.9 plan related to that individual's vocational, educational, social, or maturational needs and,
284.10 to the extent funds are available, provide foster care as required to implement the plan.

284.11 The responsible social services agency shall enter into a voluntary placement agreement
284.12 with the individual if the plan includes foster care.

284.13 (d) ~~Youth~~ A child who left foster care while under guardianship of the commissioner
284.14 of human services ~~retain~~ retains eligibility for foster care for placement at any time
284.15 ~~between the ages of 18 and~~ prior to 21 years of age.

284.16 Sec. 12. Minnesota Statutes 2014, section 260C.451, is amended by adding a
284.17 subdivision to read:

284.18 Subd. 9. **Administrative or court review of placements.** (a) The court shall
284.19 conduct reviews at least annually to ensure the responsible social services agency is
284.20 making reasonable efforts to finalize the permanency plan for the child.

284.21 (b) The court shall find that the responsible social services agency is making
284.22 reasonable efforts to finalize the permanency plan for the child when the responsible
284.23 social services agency:

284.24 (1) provides appropriate support to the child and foster care provider to ensure
284.25 continuing stability and success in placement;

284.26 (2) works with the child to plan for transition to adulthood and assists the child in
284.27 demonstrating progress in achieving related goals;

284.28 (3) works with the child to plan for independent living skills and assists the child in
284.29 demonstrating progress in achieving independent living goals; and

284.30 (4) prepares the child for independence according to sections 260C.203, paragraph
284.31 (d), and 260C.452, subdivision 4.

284.32 (c) The responsible social services agency must ensure that an administrative review
284.33 that meets the requirements of this section and section 260C.203 is completed at least six
284.34 months after each of the court's annual reviews.

285.1 Sec. 13. **[260C.452] SUCCESSFUL TRANSITION TO ADULTHOOD.**

285.2 **Subdivision 1. Scope.** This section pertains to a child who is under the guardianship
285.3 of the commissioner of human services, or who has a permanency disposition of
285.4 permanent custody to the agency, or who will leave foster care at 18 to 21 years of age.

285.5 **Subd. 2. Independent living plan.** When the child is 14 years of age or older,
285.6 the responsible social services agency, in consultation with the child, shall complete
285.7 the independent living plan according to section 260C.212, subdivision 1, paragraph
285.8 (c), clause (12).

285.9 **Subd. 3. Notification.** Six months before the child is expected to be discharged from
285.10 foster care, the responsible social services agency shall provide written notice to the child
285.11 regarding the right to continued access to services for certain children in foster care past
285.12 18 years of age and of the right to appeal a denial of social services under section 256.045.

285.13 **Subd. 4. Administrative or court review of placements.** (a) When the child is 14
285.14 years of age or older, the court, in consultation with the child, shall review the independent
285.15 living plan according to section 260C.203, paragraph (d).

285.16 (b) The responsible social services agency shall file a copy of the notification
285.17 required in subdivision 3 with the court. If the responsible social services agency does
285.18 not file the notice by the time the child is 17-1/2 years of age, the court shall require the
285.19 responsible social services agency to file the notice.

285.20 (c) The court shall ensure that the responsible social services agency assists the child
285.21 in obtaining the following documents before the child leaves foster care: a Social Security
285.22 card; an official or certified copy of the child's birth certificate; a state identification card
285.23 or driver's license, tribal enrollment identification card, green card, or school visa; health
285.24 insurance information; the child's school, medical, and dental records; a contact list of
285.25 the child's medical, dental, and mental health providers; and contact information for the
285.26 child's siblings, if the siblings are in foster care.

285.27 (d) For a child who will be discharged from foster care at 18 years of age or older,
285.28 the responsible social services agency must develop a personalized transition plan as
285.29 directed by the child during the 90-day period immediately prior to the expected date of
285.30 discharge. The transition plan must be as detailed as the child elects and include specific
285.31 options, including but not limited to:

285.32 (1) affordable housing with necessary supports that does not include a homeless
285.33 shelter;

285.34 (2) health insurance, including eligibility for medical assistance as defined in section
285.35 256B.055, subdivision 17;

285.36 (3) education, including application to the Education and Training Voucher Program;

- 286.1 (4) local opportunities for mentors and continuing support services, including the
286.2 Healthy Transitions and Homeless Prevention program, if available;
286.3 (5) workforce supports and employment services;
286.4 (6) a copy of the child's consumer credit report as defined in section 13C.001 and
286.5 assistance in interpreting and resolving any inaccuracies in the report, at no cost to the child;
286.6 (7) information on executing a health care directive under chapter 145C and on the
286.7 importance of designating another individual to make health care decisions on behalf of
286.8 the child if the child becomes unable to participate in decisions; and
286.9 (8) appropriate contact information through 21 years of age if the child needs
286.10 information or help dealing with a crisis situation.

286.11 Subd. 5. **Notice of termination of foster care.** (a) When a child leaves foster care
286.12 at 18 years of age or older, the responsible social services agency shall give the child
286.13 written notice that foster care shall terminate 30 days from the date the notice is sent.

286.14 (b) The child or the child's guardian ad litem may file a motion asking the court to
286.15 review the responsible social services agency's determination within 15 days of receiving
286.16 the notice. The child shall not be discharged from foster care until the motion is heard. The
286.17 responsible social services agency shall work with the child to transition out of foster care.

286.18 (c) The written notice of termination of benefits shall be on a form prescribed by
286.19 the commissioner and shall give notice of the right to have the responsible social services
286.20 agency's determination reviewed by the court under this section or sections 260C.203,
286.21 260C.317, and 260C.515, subdivision 5 or 6. A copy of the termination notice shall
286.22 be sent to the child and the child's attorney, if any, the foster care provider, the child's
286.23 guardian ad litem, and the court. The responsible social services agency is not responsible
286.24 for paying foster care benefits for any period of time after the child leaves foster care.

286.25 Sec. 14. Minnesota Statutes 2015 Supplement, section 260C.521, subdivision 1,
286.26 is amended to read:

286.27 Subdivision 1. **Child in permanent custody of responsible social services agency.**

286.28 (a) Court reviews of an order for permanent custody to the responsible social services
286.29 agency for placement of the child in foster care must be conducted at least yearly at an
286.30 in-court appearance hearing.

286.31 (b) The purpose of the review hearing is to ensure:

286.32 (1) the responsible social services agency made intensive, ongoing, and, as of the
286.33 date of the hearing, unsuccessful efforts to return the child home or secure a placement for
286.34 the child with a fit and willing relative, custodian, or adoptive parent, and an order for
286.35 permanent custody to the responsible social services agency for placement of the child in

287.1 foster care continues to be in the best interests of the child ~~and that no other permanency~~
287.2 ~~disposition order is in the best interests of the child;~~

287.3 (2) that the responsible social services agency is assisting the child to build
287.4 connections to the child's family and community; ~~and~~

287.5 (3) that the responsible social services agency is appropriately planning with the
287.6 child for development of independent living skills for the child and, as appropriate, for the
287.7 orderly and successful transition to independent living adulthood that may occur if the
287.8 child continues in foster care without another permanency disposition order;

287.9 (4) the child's foster family home or child care institution is following the reasonable
287.10 and prudent parenting standards; and

287.11 (5) the child has regular, ongoing opportunities to engage in age or developmentally
287.12 appropriate activities by consulting with the child in an age-appropriate manner about the
287.13 opportunities.

287.14 (c) The court must review the child's out-of-home placement plan and the reasonable
287.15 efforts of the responsible social services agency to finalize an alternative permanent plan
287.16 for the child including the responsible social services agency's efforts to:

287.17 (1) ensure that permanent custody to the responsible social services agency with
287.18 placement of the child in foster care continues to be the most appropriate legal arrangement
287.19 for meeting the child's need for permanency and stability ~~or, if not, to identify and attempt~~
287.20 ~~to finalize another permanency disposition order under this chapter that would better serve~~
287.21 ~~the child's needs and best interests;~~ by reviewing the compelling reasons it continues not
287.22 to be in the best interest of the child to:

287.23 (i) return home;

287.24 (ii) be placed for adoption; or

287.25 (iii) be placed with a fit and willing relative through an order for permanent legal
287.26 and physical custody under section 260C.515, subdivision 4;

287.27 (2) identify a specific foster home for the child, if one has not already been identified;

287.28 (3) support continued placement of the child in the identified home, if one has been
287.29 identified;

287.30 (4) ensure appropriate services are provided to address the physical health, mental
287.31 health, and educational needs of the child during the period of foster care and also ensure
287.32 appropriate services or assistance to maintain relationships with appropriate family
287.33 members and the child's community; and

287.34 (5) plan for the child's independence upon the child's leaving foster care living as
287.35 required under section 260C.212, subdivision 1.

288.1 (d) The court may find that the responsible social services agency has made
288.2 reasonable efforts to finalize the permanent plan for the child when:

288.3 (1) the responsible social services agency has made reasonable efforts to identify a
288.4 more legally permanent home for the child than is provided by an order for permanent
288.5 custody to the agency for placement in foster care;

288.6 (2) the child has been asked about the child's desired permanency outcome; and

288.7 (3) the responsible social services agency's engagement of the child in planning for
288.8 independent living a successful transition to adulthood is reasonable and appropriate.

288.9 Sec. 15. **[260D.14] SUCCESSFUL TRANSITION TO ADULTHOOD FOR**
288.10 **CHILDREN IN VOLUNTARY PLACEMENT.**

288.11 Subdivision 1. **Case planning.** When the child is 14 years of age or older, the
288.12 responsible social services agency shall ensure a child in foster care under this chapter is
288.13 provided with the case plan requirements in section 260C.212, subdivisions 1 and 14.

288.14 Subd. 2. **Notification.** The responsible social services agency shall provide written
288.15 notice of the right to continued access to services for certain children in foster care past 18
288.16 years of age under section 260C.452, subdivision 3, and of the right to appeal a denial
288.17 of social services under section 256.045. The notice must be provided to the child six
288.18 months before the child's 18th birthday.

288.19 Subd. 3. **Administrative or court reviews.** When the child is 17 years of age or
288.20 older, the administrative review or court hearing must include a review of the responsible
288.21 social services agency's support for the child's successful transition to adulthood as
288.22 required in section 260C.452, subdivision 4.

288.23 Sec. 16. Minnesota Statutes 2014, section 518.175, subdivision 5, is amended to read:

288.24 Subd. 5. **Modification of parenting plan or order for parenting time.** (a) If a
288.25 parenting plan or an order granting parenting time cannot be used to determine the number
288.26 of overnights or overnight equivalents the child has with each parent, the court shall modify
288.27 the parenting plan or order granting parenting time so that the number of overnights or
288.28 overnight equivalents the child has with each parent can be determined. For purposes of this
288.29 section, "overnight equivalents" has the meaning given in section 518A.36, subdivision 1.

288.30 (b) If modification would serve the best interests of the child, the court shall modify
288.31 the decision-making provisions of a parenting plan or an order granting or denying
288.32 parenting time, if the modification would not change the child's primary residence.
288.33 Consideration of a child's best interest includes a child's changing developmental needs.

289.1 ~~(b)~~ (c) Except as provided in section 631.52, the court may not restrict parenting
289.2 time unless it finds that:

289.3 (1) parenting time is likely to endanger the child's physical or emotional health or
289.4 impair the child's emotional development; or

289.5 (2) the parent has chronically and unreasonably failed to comply with court-ordered
289.6 parenting time.

289.7 A modification of parenting time which increases a parent's percentage of parenting time
289.8 to an amount that is between 45.1 to 54.9 percent parenting time is not a restriction of
289.9 the other parent's parenting time.

289.10 ~~(e)~~ (d) If a parent makes specific allegations that parenting time by the other
289.11 parent places the parent or child in danger of harm, the court shall hold a hearing at
289.12 the earliest possible time to determine the need to modify the order granting parenting
289.13 time. Consistent with subdivision 1a, the court may require a third party, including the
289.14 local social services agency, to supervise the parenting time or may restrict a parent's
289.15 parenting time if necessary to protect the other parent or child from harm. If there is an
289.16 existing order for protection governing the parties, the court shall consider the use of an
289.17 independent, neutral exchange location for parenting time.

289.18 **EFFECTIVE DATE.** This section is effective August 1, 2018.

289.19 Sec. 17. Minnesota Statutes 2015 Supplement, section 518A.26, subdivision 14,
289.20 is amended to read:

289.21 Subd. 14. **Obligor.** "Obligor" means a person obligated to pay maintenance or
289.22 support. For purposes of ordering medical support under section 518A.41, a parent who
289.23 has primary physical custody of a child may be an obligor subject to a payment agreement
289.24 under section 518A.69. If a parent has more than 55 percent court-ordered parenting
289.25 time, there is a rebuttable presumption that the parent has a zero dollar basic support
289.26 obligation. A party seeking to overcome this presumption must show, and the court must
289.27 consider, the following:

289.28 (1) a significant income disparity, which may include potential income determined
289.29 under section 518A.32;

289.30 (2) the benefit and detriment to the child and the ability of each parent to meet
289.31 the needs of the child; and

289.32 (3) whether the application of the presumption would have an unjust or inappropriate
289.33 result.

289.34 The presumption of a zero dollar basic support obligation does not eliminate a parent's
289.35 obligation to pay child support arrears under section 518A.60. The presumption of a

290.1 zero dollar basic support obligation does not apply to an action under section 256.87,
290.2 subdivision 1 or 1a.

290.3 **EFFECTIVE DATE.** This section is effective August 1, 2018.

290.4 Sec. 18. Minnesota Statutes 2014, section 518A.34, is amended to read:

290.5 **518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

290.6 (a) To determine the presumptive child support obligation of a parent, the court shall
290.7 follow the procedure set forth in this section.

290.8 (b) To determine the obligor's basic support obligation, the court shall:

290.9 (1) determine the gross income of each parent under section 518A.29;

290.10 (2) calculate the parental income for determining child support (PICS) of each
290.11 parent, by subtracting from the gross income the credit, if any, for each parent's nonjoint
290.12 children under section 518A.33;

290.13 (3) determine the percentage contribution of each parent to the combined PICS by
290.14 dividing the combined PICS into each parent's PICS;

290.15 (4) determine the combined basic support obligation by application of the guidelines
290.16 in section 518A.35;

290.17 (5) determine ~~the obligor's~~ each parent's share of the combined basic support
290.18 obligation by multiplying the percentage figure from clause (3) by the combined basic
290.19 support obligation in clause (4); and

290.20 (6) ~~determine the parenting expense adjustment, if any, as apply the parenting~~
290.21 ~~expense adjustment formula provided in section 518A.36, and adjust the obligor's basic~~
290.22 ~~support obligation accordingly to determine the obligor's basic support obligation. If the~~
290.23 ~~parenting time of the parties is presumed equal, section 518A.36, subdivision 3, applies~~
290.24 ~~to the calculation of the basic support obligation and a determination of which parent~~
290.25 ~~is the obligor.~~

290.26 (c) If the parents have split custody of joint children, child support must be
290.27 calculated for each joint child as follows:

290.28 (1) the court shall determine each parent's basic support obligation under paragraph
290.29 (b) and include the amount of each parent's obligation in the court order. If the basic
290.30 support calculation results in each parent owing support to the other, the court shall offset
290.31 the higher basic support obligation with the lower basic support obligation to determine
290.32 the amount to be paid by the parent with the higher obligation to the parent with the
290.33 lower obligation. For the purpose of the cost-of-living adjustment required under section
290.34 518A.75, the adjustment must be based on each parent's basic support obligation prior to

291.1 offset. For the purposes of this paragraph, "split custody" means that there are two or more
291.2 joint children and each parent has at least one joint child more than 50 percent of the time;

291.3 (2) if each parent pays all child care expenses for at least one joint child, the court
291.4 shall calculate child care support for each joint child as provided in section 518A.40. The
291.5 court shall determine each parent's child care support obligation and include the amount of
291.6 each parent's obligation in the court order. If the child care support calculation results in
291.7 each parent owing support to the other, the court shall offset the higher child care support
291.8 obligation with the lower child care support obligation to determine the amount to be paid
291.9 by the parent with the higher obligation to the parent with the lower obligation; and

291.10 (3) if each parent pays all medical or dental insurance expenses for at least one
291.11 joint child, medical support shall be calculated for each joint child as provided in section
291.12 518A.41. The court shall determine each parent's medical support obligation and include
291.13 the amount of each parent's obligation in the court order. If the medical support calculation
291.14 results in each parent owing support to the other, the court shall offset the higher medical
291.15 support obligation with the lower medical support obligation to determine the amount to
291.16 be paid by the parent with the higher obligation to the parent with the lower obligation.
291.17 Unreimbursed and uninsured medical expenses are not included in the presumptive amount
291.18 of support owed by a parent and are calculated and collected as provided in section 518A.41.

291.19 (d) The court shall determine the child care support obligation for the obligor
291.20 as provided in section 518A.40.

291.21 ~~(d)~~ (e) The court shall determine the medical support obligation for each parent as
291.22 provided in section 518A.41. Unreimbursed and uninsured medical expenses are not
291.23 included in the presumptive amount of support owed by a parent and are calculated and
291.24 collected as described in section 518A.41.

291.25 ~~(e)~~ (f) The court shall determine each parent's total child support obligation by
291.26 adding together each parent's basic support, child care support, and health care coverage
291.27 obligations as provided in this section.

291.28 ~~(f)~~ (g) If Social Security benefits or veterans' benefits are received by one parent as a
291.29 representative payee for a joint child based on the other parent's eligibility, the court shall
291.30 subtract the amount of benefits from the other parent's net child support obligation, if any.

291.31 ~~(g)~~ (h) The final child support order shall separately designate the amount owed for
291.32 basic support, child care support, and medical support. If applicable, the court shall use
291.33 the self-support adjustment and minimum support adjustment under section 518A.42 to
291.34 determine the obligor's child support obligation.

291.35 **EFFECTIVE DATE.** This section is effective August 1, 2018.

292.1 Sec. 19. Minnesota Statutes 2014, section 518A.35, subdivision 1, is amended to read:

292.2 Subdivision 1. **Determination of support obligation.** (a) The guideline in this
292.3 section is a rebuttable presumption and shall be used in any judicial or administrative
292.4 proceeding to establish or modify a support obligation under this chapter.

292.5 (b) The basic child support obligation shall be determined by referencing the
292.6 guideline for the appropriate number of joint children and the combined parental income
292.7 for determining child support of the parents.

292.8 (c) If a child is not in the custody of either parent and a support order is sought against
292.9 one or both parents, the basic child support obligation shall be determined by referencing
292.10 the guideline for the appropriate number of joint children, and the parent's individual
292.11 parental income for determining child support, not the combined parental incomes for
292.12 determining child support of the parents. Unless a parent has court-ordered parenting time,
292.13 the parenting expense adjustment formula under section 518A.34 must not be applied.

292.14 (d) If a child is in custody of either parent and a support order is sought by the public
292.15 authority under section 256.87, unless the parent against whom the support order is sought
292.16 has court-ordered parenting time, the support obligation must be determined by referencing
292.17 the guideline for the appropriate number of joint children and the parent's individual income
292.18 without application of the parenting expense adjustment formula under section 518A.34.

292.19 (e) For combined parental incomes for determining child support exceeding \$15,000
292.20 per month, the presumed basic child support obligations shall be as for parents with
292.21 combined parental income for determining child support of \$15,000 per month. A basic
292.22 child support obligation in excess of this level may be demonstrated for those reasons set
292.23 forth in section 518A.43.

292.24 **EFFECTIVE DATE.** This section is effective August 1, 2018.

292.25 Sec. 20. Minnesota Statutes 2014, section 518A.36, is amended to read:

292.26 **518A.36 PARENTING EXPENSE ADJUSTMENT.**

292.27 Subdivision 1. **General.** (a) The parenting expense adjustment under this section
292.28 reflects the presumption that while exercising parenting time, a parent is responsible
292.29 for and incurs costs of caring for the child, including, but not limited to, food, clothing,
292.30 transportation, recreation, and household expenses. Every child support order shall specify
292.31 the percentage of parenting time granted to or presumed for each parent. For purposes
292.32 of this section, the percentage of parenting time means the percentage of time a child is
292.33 scheduled to spend with the parent during a calendar year according to a court order
292.34 averaged over a two-year period. Parenting time includes time with the child whether it is

293.1 designated as visitation, physical custody, or parenting time. The percentage of parenting
 293.2 time may be determined by calculating the number of overnights or overnight equivalents
 293.3 that a ~~child parent~~ spends with a ~~parent, or child~~ pursuant to a court order. For purposes of
 293.4 this section, overnight equivalents are calculated by using a method other than overnights
 293.5 if the parent has significant time periods on separate days where the child is in the parent's
 293.6 physical custody and under the direct care of the parent but does not stay overnight. The
 293.7 court may consider the age of the child in determining whether a child is with a parent
 293.8 for a significant period of time.

293.9 (b) If there is not a court order awarding parenting time, the court shall determine
 293.10 the child support award without consideration of the parenting expense adjustment. If a
 293.11 parenting time order is subsequently issued or is issued in the same proceeding, then the
 293.12 child support order shall include application of the parenting expense adjustment.

293.13 **Subd. 2. Calculation of parenting expense adjustment.** ~~The obligor is entitled to~~
 293.14 ~~a parenting expense adjustment calculated as provided in this subdivision. The court shall:~~

293.15 ~~(1) find the adjustment percentage corresponding to the percentage of parenting~~
 293.16 ~~time allowed to the obligor below:~~

	Percentage Range of Parenting Time	Adjustment Percentage
293.17		
293.18		
293.19	(i) less than 10 percent	no adjustment
293.20	(ii) 10 percent to 45 percent	12 percent
293.21	(iii) 45.1 percent to 50 percent	presume parenting time is equal

293.22 ~~(2) multiply the adjustment percentage by the obligor's basic child support obligation~~
 293.23 ~~to arrive at the parenting expense adjustment; and~~

293.24 ~~(3) subtract the parenting expense adjustment from the obligor's basic child support~~
 293.25 ~~obligation. The result is the obligor's basic support obligation after parenting expense~~
 293.26 ~~adjustment.~~

293.27 (a) For the purposes of this section, the following terms have the meanings given:

293.28 (1) "parent A" means the parent with whom the child or children will spend the least
 293.29 number of overnights under the court order; and

293.30 (2) "parent B" means the parent with whom the child or children will spend the
 293.31 greatest number of overnights under the court order.

293.32 (b) The court shall apply the following formula to determine which parent is the
 293.33 obligor and calculate the basic support obligation:

293.34 (1) raise to the power of three the approximate number of annual overnights the child
 293.35 or children will likely spend with parent A;

293.36 (2) raise to the power of three the approximate number of annual overnights the child
 293.37 or children will likely spend with parent B;

294.1 (3) multiply the result of clause (1) times parent B's share of the combined basic
294.2 support obligation as determined in section 518A.34, paragraph (b), clause (5);

294.3 (4) multiply the result of clause (2) times parent A's share of the combined basic
294.4 support obligation as determined in section 518A.34, paragraph (b), clause (5);

294.5 (5) subtract the result of clause (4) from the result of clause (3); and

294.6 (6) divide the result of clause (5) by the sum of clauses (1) and (2).

294.7 (c) If the result is a negative number, parent A is the obligor, the negative number
294.8 becomes its positive equivalent, and the result is the basic support obligation. If the result
294.9 is a positive number, parent B is the obligor and the result is the basic support obligation.

294.10 **Subd. 3. Calculation of basic support when parenting time presumed is equal.**

294.11 **(a)** If the parenting time is equal and the parental incomes for determining child support of
294.12 the parents also are equal, no basic support shall be paid unless the court determines that
294.13 the expenses for the child are not equally shared.

294.14 ~~(b) If the parenting time is equal but the parents' parental incomes for determining~~
294.15 ~~child support are not equal, the parent having the greater parental income for determining~~
294.16 ~~child support shall be obligated for basic child support, calculated as follows:~~

294.17 ~~(1) multiply the combined basic support calculated under section 518A.34 by 0.75;~~

294.18 ~~(2) prorate the amount under clause (1) between the parents based on each parent's~~
294.19 ~~proportionate share of the combined PICS; and~~

294.20 ~~(3) subtract the lower amount from the higher amount.~~

294.21 ~~The resulting figure is the obligation after parenting expense adjustment for the~~
294.22 ~~parent with the greater parental income for determining child support.~~

294.23 **EFFECTIVE DATE.** This section is effective August 1, 2018.

294.24 Sec. 21. Minnesota Statutes 2015 Supplement, section 518A.39, subdivision 2, is
294.25 amended to read:

294.26 **Subd. 2. Modification.** (a) The terms of an order respecting maintenance or support
294.27 may be modified upon a showing of one or more of the following, any of which makes
294.28 the terms unreasonable and unfair: (1) substantially increased or decreased gross income
294.29 of an obligor or obligee; (2) substantially increased or decreased need of an obligor or
294.30 obligee or the child or children that are the subject of these proceedings; (3) receipt of
294.31 assistance under the AFDC program formerly codified under sections 256.72 to 256.87
294.32 or 256B.01 to 256B.40, or chapter 256J or 256K; (4) a change in the cost of living for
294.33 either party as measured by the Federal Bureau of Labor Statistics; (5) extraordinary
294.34 medical expenses of the child not provided for under section 518A.41; (6) a change in
294.35 the availability of appropriate health care coverage or a substantial increase or decrease

295.1 in health care coverage costs; (7) the addition of work-related or education-related child
295.2 care expenses of the obligee or a substantial increase or decrease in existing work-related
295.3 or education-related child care expenses; or (8) upon the emancipation of the child, as
295.4 provided in subdivision 5.

295.5 (b) It is presumed that there has been a substantial change in circumstances under
295.6 paragraph (a) and the terms of a current support order shall be rebuttably presumed to be
295.7 unreasonable and unfair if:

295.8 (1) the application of the child support guidelines in section 518A.35, to the current
295.9 circumstances of the parties results in a calculated court order that is at least 20 percent
295.10 and at least \$75 per month higher or lower than the current support order or, if the current
295.11 support order is less than \$75, it results in a calculated court order that is at least 20
295.12 percent per month higher or lower;

295.13 (2) the medical support provisions of the order established under section 518A.41
295.14 are not enforceable by the public authority or the obligee;

295.15 (3) health coverage ordered under section 518A.41 is not available to the child for
295.16 whom the order is established by the parent ordered to provide;

295.17 (4) the existing support obligation is in the form of a statement of percentage and not
295.18 a specific dollar amount;

295.19 (5) the gross income of an obligor or obligee has decreased by at least 20 percent
295.20 through no fault or choice of the party; or

295.21 (6) a deviation was granted based on the factor in section 518A.43, subdivision 1,
295.22 clause (4), and the child no longer resides in a foreign country or the factor is otherwise no
295.23 longer applicable.

295.24 (c) A child support order is not presumptively modifiable solely because an obligor
295.25 or obligee becomes responsible for the support of an additional nonjoint child, which is
295.26 born after an existing order. Section 518A.33 shall be considered if other grounds are
295.27 alleged which allow a modification of support.

295.28 (d) If child support was established by applying a parenting expense adjustment
295.29 or presumed equal parenting time calculation under previously existing child support
295.30 guidelines and there is no parenting plan or order from which overnights or overnight
295.31 equivalents can be determined, there is a rebuttable presumption that the established
295.32 adjustment or calculation will continue after modification so long as the modification is
295.33 not based on a change in parenting time. In determining an obligation under previously
295.34 existing child support guidelines, it is presumed that the court shall:

296.1 (1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's
296.2 share of the combined basic support obligation calculated under section 518A.34,
296.3 paragraph (b), clause (5), by 0.88; or

296.4 (2) if the parenting time was presumed equal but the parents' parental incomes for
296.5 determining child support were not equal:

296.6 (i) multiply the combined basic support obligation under section 518A.34, paragraph
296.7 (b), clause (5), by 0.075;

296.8 (ii) prorate the amount under item (i) between the parents based on each parent's
296.9 proportionate share of the combined PICS; and

296.10 (iii) subtract the lower amount from the higher amount.

296.11 (e) On a motion for modification of maintenance, including a motion for the
296.12 extension of the duration of a maintenance award, the court shall apply, in addition to all
296.13 other relevant factors, the factors for an award of maintenance under section 518.552 that
296.14 exist at the time of the motion. On a motion for modification of support, the court:

296.15 (1) shall apply section 518A.35, and shall not consider the financial circumstances of
296.16 each party's spouse, if any; and

296.17 (2) shall not consider compensation received by a party for employment in excess of
296.18 a 40-hour work week, provided that the party demonstrates, and the court finds, that:

296.19 (i) the excess employment began after entry of the existing support order;

296.20 (ii) the excess employment is voluntary and not a condition of employment;

296.21 (iii) the excess employment is in the nature of additional, part-time employment, or
296.22 overtime employment compensable by the hour or fractions of an hour;

296.23 (iv) the party's compensation structure has not been changed for the purpose of
296.24 affecting a support or maintenance obligation;

296.25 (v) in the case of an obligor, current child support payments are at least equal to the
296.26 guidelines amount based on income not excluded under this clause; and

296.27 (vi) in the case of an obligor who is in arrears in child support payments to the
296.28 obligee, any net income from excess employment must be used to pay the arrearages
296.29 until the arrearages are paid in full.

296.30 ~~(e)~~ (f) A modification of support or maintenance, including interest that accrued
296.31 pursuant to section 548.091, may be made retroactive only with respect to any period
296.32 during which the petitioning party has pending a motion for modification but only from
296.33 the date of service of notice of the motion on the responding party and on the public
296.34 authority if public assistance is being furnished or the county attorney is the attorney of
296.35 record, unless the court adopts an alternative effective date under paragraph (l). The

297.1 court's adoption of an alternative effective date under paragraph (l) shall not be considered
297.2 a retroactive modification of maintenance or support.

297.3 ~~(f)~~ (g) Except for an award of the right of occupancy of the homestead, provided
297.4 in section 518.63, all divisions of real and personal property provided by section 518.58
297.5 shall be final, and may be revoked or modified only where the court finds the existence
297.6 of conditions that justify reopening a judgment under the laws of this state, including
297.7 motions under section 518.145, subdivision 2. The court may impose a lien or charge on
297.8 the divided property at any time while the property, or subsequently acquired property, is
297.9 owned by the parties or either of them, for the payment of maintenance or support money,
297.10 or may sequester the property as is provided by section 518A.71.

297.11 ~~(g)~~ (h) The court need not hold an evidentiary hearing on a motion for modification
297.12 of maintenance or support.

297.13 ~~(h)~~ (i) Sections 518.14 and 518A.735 shall govern the award of attorney fees for
297.14 motions brought under this subdivision.

297.15 ~~(i)~~ (j) Except as expressly provided, an enactment, amendment, or repeal of law does
297.16 not constitute a substantial change in the circumstances for purposes of modifying a
297.17 child support order.

297.18 ~~(j)~~ MS 2006 [Expired]

297.19 ~~(k)~~ On the first modification ~~under the income shares method of calculation~~
297.20 following implementation of amended child support guidelines, the modification of
297.21 basic support may be limited if the amount of the full variance would create hardship
297.22 for either the obligor or the obligee. Hardship includes, but is not limited to, eligibility
297.23 for assistance under chapter 256J.

297.24 (l) The court may select an alternative effective date for a maintenance or support
297.25 order if the parties enter into a binding agreement for an alternative effective date.

297.26 **EFFECTIVE DATE.** This section is effective August 1, 2018.

297.27 Sec. 22. **[518A.79] CHILD SUPPORT TASK FORCE.**

297.28 Subdivision 1. Establishment; purpose. There is established the Child Support
297.29 Task Force for the Department of Human Services. The purpose of the task force is to
297.30 advise the commissioner of human services on matters relevant to maintaining effective
297.31 and efficient child support guidelines that will best serve the children of Minnesota and
297.32 take into account the changing dynamics of families.

297.33 Subd. 2. Members. (a) The task force must consist of:

297.34 (1) two members of the house of representatives, one appointed by the speaker of the
297.35 house and one appointed by the minority leader;

- 298.1 (2) two members of the senate, one appointed by the majority leader and one
298.2 appointed by the minority leader;
- 298.3 (3) one representative from the Minnesota County Attorneys Association;
298.4 (4) one staff member from the Department of Human Services Child Support
298.5 Division;
- 298.6 (5) one representative from a tribe with an approved IV-D program appointed by
298.7 resolution of the Minnesota Indian Affairs Council;
- 298.8 (6) one representative from the Minnesota Family Support Recovery Council;
298.9 (7) one child support magistrate, family court referee, or one district court judge or
298.10 retired judge with experience in child support matters, appointed by the chief justice of
298.11 the Supreme Court;
- 298.12 (8) four parents, at least two of whom represent diverse cultural and social
298.13 communities, appointed by the commissioner with equal representation between custodial
298.14 and noncustodial parents;
- 298.15 (9) one representative from the Minnesota Legal Services Coalition; and
298.16 (10) one representative from the Family Law Section of the Minnesota Bar
298.17 Association.
- 298.18 (b) Section 15.059 governs the Child Support Task Force.
- 298.19 (c) Members of the task force shall be compensated as provided in section 15.059,
298.20 subdivision 3.
- 298.21 Subd. 3. **Organization.** (a) The commissioner or the commissioner's designee shall
298.22 convene the first meeting of the task force.
- 298.23 (b) The members of the task force shall annually elect a chair and other officers
298.24 as the members deem necessary.
- 298.25 (c) The task force shall meet at least three times per year, with one meeting devoted
298.26 to collecting input from the public.
- 298.27 Subd. 4. **Staff.** The commissioner shall provide support staff, office space, and
298.28 administrative services for the task force.
- 298.29 Subd. 5. **Duties of the task force.** (a) General duties of the task force include, but
298.30 are not limited to:
- 298.31 (1) serving in an advisory capacity to the commissioner of human services;
298.32 (2) reviewing the effects of implementing the parenting expense adjustment enacted
298.33 by the 2016 legislature;
- 298.34 (3) at least every four years, preparing for and advising the commissioner on the
298.35 development of the quadrennial review report;
- 298.36 (4) collecting and studying information and data relating to child support awards; and

299.1 (5) conducting a comprehensive review of child support guidelines, economic
299.2 conditions, and other matters relevant to maintaining effective and efficient child support
299.3 guidelines.

299.4 (b) The task force must review, address, and make recommendations on the
299.5 following priority issues:

299.6 (1) the self-support reserve for custodial and noncustodial parents;

299.7 (2) simultaneous child support orders;

299.8 (3) obligors who are subject to child support orders in multiple counties;

299.9 (4) parents with multiple families;

299.10 (5) non-nuclear families, such as grandparents, relatives, and foster parents who
299.11 are caretakers of children;

299.12 (6) standards to apply for modifications; and

299.13 (7) updating section 518A.35, subdivision 2, the guideline for basic support.

299.14 Subd. 6. **Consultation.** The chair of the task force must consult with the Cultural
299.15 and Ethnic Communities Leadership Council at least annually on the issues under
299.16 consideration by the task force.

299.17 Subd. 7. **Report and recommendations.** Beginning February 15, 2018, and
299.18 biennially thereafter, if the task force is extended by the legislature, the commissioner
299.19 shall prepare and submit to the chairs and ranking minority members of the committees of
299.20 the house of representatives and the senate with jurisdiction over child support matters a
299.21 report that summarizes the activities of the task force, issues identified by the task force,
299.22 methods taken to address the issues, and recommendations for legislative action, if needed.

299.23 Subd. 8. **Expiration.** The task force expires June 30, 2019, unless extended by
299.24 the legislature.

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

299.26 Sec. 23. Minnesota Statutes 2014, section 609.3241, is amended to read:

299.27 **609.3241 PENALTY ASSESSMENT AUTHORIZED.**

299.28 (a) When a court sentences an adult convicted of violating section 609.322 or
299.29 609.324, while acting other than as a prostitute, the court shall impose an assessment of
299.30 not less than \$500 and not more than \$750 for a violation of section 609.324, subdivision
299.31 2, or a misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall
299.32 impose an assessment of not less than \$750 and not more than \$1,000. The assessment
299.33 shall be distributed as provided in paragraph (c) and is in addition to the surcharge
299.34 required by section 357.021, subdivision 6.

300.1 (b) The court may not waive payment of the minimum assessment required by
300.2 this section. If the defendant qualifies for the services of a public defender or the court
300.3 finds on the record that the convicted person is indigent or that immediate payment of
300.4 the assessment would create undue hardship for the convicted person or that person's
300.5 immediate family, the court may reduce the amount of the minimum assessment to not
300.6 less than \$100. The court also may authorize payment of the assessment in installments.

300.7 (c) The assessment collected under paragraph (a) must be distributed as follows:

300.8 (1) 40 percent of the assessment shall be forwarded to the political subdivision that
300.9 employs the arresting officer for use in enforcement, training, and education activities
300.10 related to combating sexual exploitation of youth, or if the arresting officer is an employee
300.11 of the state, this portion shall be forwarded to the commissioner of public safety for those
300.12 purposes identified in clause (3);

300.13 (2) 20 percent of the assessment shall be forwarded to the prosecuting agency that
300.14 handled the case for use in training and education activities relating to combating sexual
300.15 exploitation activities of youth; and

300.16 (3) 40 percent of the assessment must be forwarded to the commissioner of ~~public~~
300.17 ~~safety~~ health to be deposited in the safe harbor for youth account in the special revenue
300.18 fund and are appropriated to the commissioner for distribution to crime victims services
300.19 organizations that provide services to sexually exploited youth, as defined in section
300.20 260C.007, subdivision 31.

300.21 (d) A safe harbor for youth account is established as a special account in the state
300.22 treasury.

300.23 Sec. 24. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 2, is
300.24 amended to read:

300.25 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings
300.26 given them unless the specific content indicates otherwise:

300.27 (a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected
300.28 occurrence or event which:

300.29 (1) is not likely to occur and could not have been prevented by exercise of due
300.30 care; and

300.31 (2) if occurring while a child is receiving services from a facility, happens when the
300.32 facility and the employee or person providing services in the facility are in compliance
300.33 with the laws and rules relevant to the occurrence or event.

300.34 (b) "Commissioner" means the commissioner of human services.

300.35 (c) "Facility" means:

301.1 (1) a licensed or unlicensed day care facility, residential facility, agency, hospital,
301.2 sanitarium, or other facility or institution required to be licensed under sections 144.50 to
301.3 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245D;

301.4 (2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter
301.5 124E; or

301.6 (3) a nonlicensed personal care provider organization as defined in section
301.7 256B.0625, subdivision 19a.

301.8 (d) "Family assessment" means a comprehensive assessment of child safety, risk of
301.9 subsequent child maltreatment, and family strengths and needs that is applied to a child
301.10 maltreatment report that does not allege sexual abuse or substantial child endangerment.
301.11 Family assessment does not include a determination as to whether child maltreatment
301.12 occurred but does determine the need for services to address the safety of family members
301.13 and the risk of subsequent maltreatment.

301.14 (e) "Investigation" means fact gathering related to the current safety of a child
301.15 and the risk of subsequent maltreatment that determines whether child maltreatment
301.16 occurred and whether child protective services are needed. An investigation must be used
301.17 when reports involve sexual abuse or substantial child endangerment, and for reports of
301.18 maltreatment in facilities required to be licensed under chapter 245A or 245D; under
301.19 sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05,
301.20 subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider
301.21 association as defined in section 256B.0625, subdivision 19a.

301.22 (f) "Mental injury" means an injury to the psychological capacity or emotional
301.23 stability of a child as evidenced by an observable or substantial impairment in the child's
301.24 ability to function within a normal range of performance and behavior with due regard to
301.25 the child's culture.

301.26 (g) "Neglect" means the commission or omission of any of the acts specified under
301.27 clauses (1) to (9), other than by accidental means:

301.28 (1) failure by a person responsible for a child's care to supply a child with necessary
301.29 food, clothing, shelter, health, medical, or other care required for the child's physical or
301.30 mental health when reasonably able to do so;

301.31 (2) failure to protect a child from conditions or actions that seriously endanger the
301.32 child's physical or mental health when reasonably able to do so, including a growth delay,
301.33 which may be referred to as a failure to thrive, that has been diagnosed by a physician and
301.34 is due to parental neglect;

301.35 (3) failure to provide for necessary supervision or child care arrangements
301.36 appropriate for a child after considering factors as the child's age, mental ability, physical

302.1 condition, length of absence, or environment, when the child is unable to care for the
302.2 child's own basic needs or safety, or the basic needs or safety of another child in their care;

302.3 (4) failure to ensure that the child is educated as defined in sections 120A.22 and
302.4 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's
302.5 child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

302.6 (5) nothing in this section shall be construed to mean that a child is neglected solely
302.7 because the child's parent, guardian, or other person responsible for the child's care in
302.8 good faith selects and depends upon spiritual means or prayer for treatment or care of
302.9 disease or remedial care of the child in lieu of medical care; except that a parent, guardian,
302.10 or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report
302.11 if a lack of medical care may cause serious danger to the child's health. This section does
302.12 not impose upon persons, not otherwise legally responsible for providing a child with
302.13 necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

302.14 (6) prenatal exposure to a controlled substance, as defined in section 253B.02,
302.15 subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal
302.16 symptoms in the child at birth, results of a toxicology test performed on the mother at
302.17 delivery or the child at birth, medical effects or developmental delays during the child's
302.18 first year of life that medically indicate prenatal exposure to a controlled substance, or the
302.19 presence of a fetal alcohol spectrum disorder;

302.20 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

302.21 (8) chronic and severe use of alcohol or a controlled substance by a parent or
302.22 person responsible for the care of the child that adversely affects the child's basic needs
302.23 and safety; or

302.24 (9) emotional harm from a pattern of behavior which contributes to impaired
302.25 emotional functioning of the child which may be demonstrated by a substantial and
302.26 observable effect in the child's behavior, emotional response, or cognition that is not
302.27 within the normal range for the child's age and stage of development, with due regard to
302.28 the child's culture.

302.29 (h) "Nonmaltreatment mistake" means:

302.30 (1) at the time of the incident, the individual was performing duties identified in the
302.31 center's child care program plan required under Minnesota Rules, part 9503.0045;

302.32 (2) the individual has not been determined responsible for a similar incident that
302.33 resulted in a finding of maltreatment for at least seven years;

302.34 (3) the individual has not been determined to have committed a similar
302.35 nonmaltreatment mistake under this paragraph for at least four years;

303.1 (4) any injury to a child resulting from the incident, if treated, is treated only with
303.2 remedies that are available over the counter, whether ordered by a medical professional or
303.3 not; and

303.4 (5) except for the period when the incident occurred, the facility and the individual
303.5 providing services were both in compliance with all licensing requirements relevant to the
303.6 incident.

303.7 This definition only applies to child care centers licensed under Minnesota
303.8 Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of
303.9 substantiated maltreatment by the individual, the commissioner of human services shall
303.10 determine that a nonmaltreatment mistake was made by the individual.

303.11 (i) "Operator" means an operator or agency as defined in section 245A.02.

303.12 (j) "Person responsible for the child's care" means (1) an individual functioning
303.13 within the family unit and having responsibilities for the care of the child such as a
303.14 parent, guardian, or other person having similar care responsibilities, or (2) an individual
303.15 functioning outside the family unit and having responsibilities for the care of the child
303.16 such as a teacher, school administrator, other school employees or agents, or other lawful
303.17 custodian of a child having either full-time or short-term care responsibilities including,
303.18 but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching,
303.19 and coaching.

303.20 (k) "Physical abuse" means any physical injury, mental injury, or threatened injury,
303.21 inflicted by a person responsible for the child's care on a child other than by accidental
303.22 means, or any physical or mental injury that cannot reasonably be explained by the child's
303.23 history of injuries, or any aversive or deprivation procedures, or regulated interventions,
303.24 that have not been authorized under section 125A.0942 or 245.825.

303.25 Abuse does not include reasonable and moderate physical discipline of a child
303.26 administered by a parent or legal guardian which does not result in an injury. Abuse does
303.27 not include the use of reasonable force by a teacher, principal, or school employee as
303.28 allowed by section 121A.582. Actions which are not reasonable and moderate include, but
303.29 are not limited to, any of the following:

303.30 (1) throwing, kicking, burning, biting, or cutting a child;

303.31 (2) striking a child with a closed fist;

303.32 (3) shaking a child under age three;

303.33 (4) striking or other actions which result in any nonaccidental injury to a child
303.34 under 18 months of age;

303.35 (5) unreasonable interference with a child's breathing;

303.36 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

304.1 (7) striking a child under age one on the face or head;

304.2 (8) striking a child who is at least age one but under age four on the face or head,
304.3 which results in an injury;

304.4 (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled
304.5 substances which were not prescribed for the child by a practitioner, in order to control or
304.6 punish the child; or other substances that substantially affect the child's behavior, motor
304.7 coordination, or judgment or that results in sickness or internal injury, or subjects the
304.8 child to medical procedures that would be unnecessary if the child were not exposed
304.9 to the substances;

304.10 (10) unreasonable physical confinement or restraint not permitted under section
304.11 609.379, including but not limited to tying, caging, or chaining; or

304.12 (11) in a school facility or school zone, an act by a person responsible for the child's
304.13 care that is a violation under section 121A.58.

304.14 (l) "Practice of social services," for the purposes of subdivision 3, includes but is
304.15 not limited to employee assistance counseling and the provision of guardian ad litem and
304.16 parenting time expeditor services.

304.17 (m) "Report" means any communication received by the local welfare agency,
304.18 police department, county sheriff, or agency responsible for child protection pursuant to
304.19 this section that describes neglect or physical or sexual abuse of a child and contains
304.20 sufficient content to identify the child and any person believed to be responsible for the
304.21 neglect or abuse, if known.

304.22 (n) "Sexual abuse" means the subjection of a child by a person responsible for the
304.23 child's care, by a person who has a significant relationship to the child, as defined in section
304.24 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision
304.25 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in
304.26 the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal
304.27 sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree),
304.28 or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any
304.29 act which involves a minor which constitutes a violation of prostitution offenses under
304.30 sections 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual abuse includes all
304.31 reports of known or suspected child sex trafficking involving a child who is identified as a
304.32 victim of sex trafficking. Sexual abuse includes child sex trafficking as defined in section
304.33 609.321, subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which
304.34 includes the status of a parent or household member who has committed a violation which
304.35 requires registration as an offender under section 243.166, subdivision 1b, paragraph (a)
304.36 or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

305.1 (o) "Substantial child endangerment" means a person responsible for a child's care,
305.2 by act or omission, commits or attempts to commit an act against a child under their
305.3 care that constitutes any of the following:

305.4 (1) egregious harm as defined in section 260C.007, subdivision 14;

305.5 (2) abandonment under section 260C.301, subdivision 2;

305.6 (3) neglect as defined in paragraph (g), clause (2), that substantially endangers the
305.7 child's physical or mental health, including a growth delay, which may be referred to as
305.8 failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

305.9 (4) murder in the first, second, or third degree under section 609.185, 609.19, or
305.10 609.195;

305.11 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

305.12 (6) assault in the first, second, or third degree under section 609.221, 609.222, or
305.13 609.223;

305.14 (7) solicitation, inducement, and promotion of prostitution under section 609.322;

305.15 (8) criminal sexual conduct under sections 609.342 to 609.3451;

305.16 (9) solicitation of children to engage in sexual conduct under section 609.352;

305.17 (10) malicious punishment or neglect or endangerment of a child under section
305.18 609.377 or 609.378;

305.19 (11) use of a minor in sexual performance under section 617.246; or

305.20 (12) parental behavior, status, or condition which mandates that the county attorney
305.21 file a termination of parental rights petition under section 260C.503, subdivision 2.

305.22 (p) "Threatened injury" means a statement, overt act, condition, or status that
305.23 represents a substantial risk of physical or sexual abuse or mental injury. Threatened
305.24 injury includes, but is not limited to, exposing a child to a person responsible for the
305.25 child's care, as defined in paragraph (j), clause (1), who has:

305.26 (1) subjected a child to, or failed to protect a child from, an overt act or condition
305.27 that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a
305.28 similar law of another jurisdiction;

305.29 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph
305.30 (b), clause (4), or a similar law of another jurisdiction;

305.31 (3) committed an act that has resulted in an involuntary termination of parental rights
305.32 under section 260C.301, or a similar law of another jurisdiction; or

305.33 (4) committed an act that has resulted in the involuntary transfer of permanent
305.34 legal and physical custody of a child to a relative under Minnesota Statutes 2010, section
305.35 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a
305.36 similar law of another jurisdiction.

306.1 A child is the subject of a report of threatened injury when the responsible social
306.2 services agency receives birth match data under paragraph (q) from the Department of
306.3 Human Services.

306.4 (q) Upon receiving data under section 144.225, subdivision 2b, contained in a
306.5 birth record or recognition of parentage identifying a child who is subject to threatened
306.6 injury under paragraph (p), the Department of Human Services shall send the data to the
306.7 responsible social services agency. The data is known as "birth match" data. Unless the
306.8 responsible social services agency has already begun an investigation or assessment of the
306.9 report due to the birth of the child or execution of the recognition of parentage and the
306.10 parent's previous history with child protection, the agency shall accept the birth match
306.11 data as a report under this section. The agency may use either a family assessment or
306.12 investigation to determine whether the child is safe. All of the provisions of this section
306.13 apply. If the child is determined to be safe, the agency shall consult with the county
306.14 attorney to determine the appropriateness of filing a petition alleging the child is in need
306.15 of protection or services under section 260C.007, subdivision 6, clause (16), in order to
306.16 deliver needed services. If the child is determined not to be safe, the agency and the county
306.17 attorney shall take appropriate action as required under section 260C.503, subdivision 2.

306.18 (r) Persons who conduct assessments or investigations under this section shall take
306.19 into account accepted child-rearing practices of the culture in which a child participates
306.20 and accepted teacher discipline practices, which are not injurious to the child's health,
306.21 welfare, and safety.

306.22 Sec. 25. Minnesota Statutes 2014, section 626.556, subdivision 3e, is amended to read:

306.23 Subd. 3e. **Agency responsible for assessing or investigating reports of sexual**
306.24 **abuse.** The local welfare agency is the agency responsible for investigating allegations
306.25 of sexual abuse if the alleged offender is the parent, guardian, sibling, or an individual
306.26 functioning within the family unit as a person responsible for the child's care, or a person
306.27 with a significant relationship to the child if that person resides in the child's household.
306.28 Effective May 29, 2017, the local welfare agency is also responsible for investigating
306.29 when a child is identified as a victim of sex trafficking.

306.30 Sec. 26. Minnesota Statutes 2014, section 626.558, subdivision 1, is amended to read:

306.31 Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary
306.32 child protection team that may include, but not be limited to, the director of the local
306.33 welfare agency or designees, the county attorney or designees, the county sheriff or
306.34 designees, representatives of health and education, representatives of mental health or

307.1 other appropriate human service or community-based agencies, and parent groups. As
307.2 used in this section, a "community-based agency" may include, but is not limited to,
307.3 schools, social service agencies, family service and mental health collaboratives, children's
307.4 advocacy centers, early childhood and family education programs, Head Start, or other
307.5 agencies serving children and families. A member of the team must be designated as the
307.6 lead person of the team responsible for the planning process to develop standards for its
307.7 activities with battered women's and domestic abuse programs and services.

307.8 Sec. 27. Minnesota Statutes 2014, section 626.558, subdivision 2, is amended to read:

307.9 Subd. 2. **Duties of team.** A multidisciplinary child protection team may provide
307.10 public and professional education, develop resources for prevention, intervention, and
307.11 treatment, and provide case consultation to the local welfare agency or other interested
307.12 community-based agencies. The community-based agencies may request case consultation
307.13 from the multidisciplinary child protection team regarding a child or family for whom the
307.14 community-based agency is providing services. As used in this section, "case consultation"
307.15 means a case review process in which recommendations are made concerning services to
307.16 be provided to the identified children and family. Case consultation may be performed by
307.17 a committee or subcommittee of members representing human services, including mental
307.18 health and chemical dependency; law enforcement, including probation and parole; the
307.19 county attorney; a children's advocacy center; health care; education; community-based
307.20 agencies and other necessary agencies; and persons directly involved in an individual case
307.21 as designated by other members performing case consultation.

307.22 Sec. 28. Minnesota Statutes 2014, section 626.558, is amended by adding a subdivision
307.23 to read:

307.24 Subd. 4. **Children's advocacy center; definition.** (a) For purposes of this section,
307.25 "children's advocacy center" means an organization, using a multidisciplinary team
307.26 approach, whose primary purpose is to provide children who have been the victims of
307.27 abuse and their nonoffending family members with:

- 307.28 (1) support and advocacy;
307.29 (2) specialized medical evaluation;
307.30 (3) trauma-focused mental health services; and
307.31 (4) forensic interviews.

307.32 (b) Children's advocacy centers provide multidisciplinary case review and the
307.33 tracking and monitoring of case progress.

309.1 certified community behavioral health clinics, ~~in accordance~~ (CCBHCs) to be eligible for
309.2 the prospective payment system in paragraph (f). Entities that choose to be CCBHCs must:

309.3 (1) comply with the CCBHC criteria published on or before September 1, 2015, by
309.4 the United States Department of Health and Human Services. Certification standards
309.5 established by the commissioner shall require that:

309.6 ~~(1)~~ (2) employ or contract for clinic staff who have backgrounds in diverse
309.7 disciplines, include including licensed mental health professionals, and staff who are
309.8 culturally and linguistically trained to serve the needs of the clinic's patient population;

309.9 ~~(2)~~ (3) ensure that clinic services are available and accessible to patients of all ages
309.10 and genders and that crisis management services are available 24 hours per day;

309.11 ~~(3)~~ (4) establish fees for clinic services are established for non-medical assistance
309.12 patients using a sliding fee scale and that ensures that services to patients are not denied
309.13 or limited due to a patient's inability to pay for services;

309.14 ~~(4) clinics provide coordination of care across settings and providers to ensure~~
309.15 ~~seamless transitions for patients across the full spectrum of health services, including~~
309.16 ~~acute, chronic, and behavioral needs. Care coordination may be accomplished through~~
309.17 ~~partnerships or formal contracts with federally qualified health centers, inpatient~~
309.18 ~~psychiatric facilities, substance use and detoxification facilities, community-based mental~~
309.19 ~~health providers, and other community services, supports, and providers including~~
309.20 ~~schools, child welfare agencies, juvenile and criminal justice agencies, Indian Health~~
309.21 ~~Services clinics, tribally licensed health care and mental health facilities, urban Indian~~
309.22 ~~health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in~~
309.23 ~~centers, acute care hospitals, and hospital outpatient clinics;~~ (5) comply with quality
309.24 assurance reporting requirements and other reporting requirements, including any required
309.25 reporting of encounter data, clinical outcomes data, and quality data;

309.26 ~~(5) services provided by clinics include~~ (6) provide crisis mental health services,
309.27 withdrawal management services, emergency crisis intervention services, and stabilization
309.28 services; screening, assessment, and diagnosis services, including risk assessments and
309.29 level of care determinations; patient-centered treatment planning; outpatient mental
309.30 health and substance use services; targeted case management; psychiatric rehabilitation
309.31 services; peer support and counselor services and family support services; and intensive
309.32 community-based mental health services, including mental health services for members of
309.33 the armed forces and veterans; ~~and~~

309.34 ~~(6) clinics comply with quality assurance reporting requirements and other reporting~~
309.35 ~~requirements, including any required reporting of encounter data, clinical outcomes data,~~
309.36 ~~and quality data.~~ (7) provide coordination of care across settings and providers to ensure

310.1 seamless transitions for patients across the full spectrum of health services, including
310.2 acute, chronic, and behavioral needs. Care coordination may be accomplished through
310.3 partnerships or formal contracts with:

310.4 (i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally
310.5 qualified health centers, inpatient psychiatric facilities, substance use and detoxification
310.6 facilities, or community-based mental health providers; and

310.7 (ii) other community services, supports, and providers, including schools, child
310.8 welfare agencies, juvenile and criminal justice agencies, Indian health services clinics,
310.9 tribally licensed health care and mental health facilities, urban Indian health clinics,
310.10 Department of Veterans Affairs medical centers, outpatient clinics, drop-in centers, acute
310.11 care hospitals, and hospital outpatient clinics;

310.12 (8) be certified as mental health clinics under section 245.69, subdivision 2;

310.13 (9) be certified to provide integrated treatment for co-occurring mental illness and
310.14 substance use disorders in adults or children under Minnesota Rules, chapter 9533,
310.15 effective July 1, 2017;

310.16 (10) comply with standards relating to mental health services in Minnesota Rules,
310.17 parts 9505.0370 to 9505.0372;

310.18 (11) be licensed to provide chemical dependency treatment under Minnesota Rules,
310.19 parts 9530.6405 to 9530.6505;

310.20 (12) be certified to provide children's therapeutic services and supports under
310.21 section 256B.0943;

310.22 (13) be certified to provide adult rehabilitative mental health services under section
310.23 256B.0623;

310.24 (14) be enrolled to provide mental health crisis response services under section
310.25 256B.0624;

310.26 (15) be enrolled to provide mental health targeted case management under section
310.27 256B.0625, subdivision 20;

310.28 (16) comply with standards relating to mental health case management in Minnesota
310.29 Rules, parts 9520.0900 to 9520.0926; and

310.30 (17) provide services that comply with the evidence-based practices described in
310.31 paragraph (e).

310.32 (b) If an entity is unable to provide one or more of the services listed in paragraph
310.33 (a), clauses (6) to (17), the commissioner may certify the entity as a CCBHC, if the entity
310.34 has a current contract with another entity that has the required authority to provide that
310.35 service and that meets federal CCBHC criteria as a designated collaborating organization,
310.36 or, to the extent allowed by the federal CCBHC criteria, the commissioner may approve a

311.1 referral arrangement. The CCBHC must meet federal requirements regarding the type and
311.2 scope of services to be provided directly by the CCBHC.

311.3 (c) Notwithstanding any other law that requires a county contract or other form
311.4 of county approval for certain services listed in paragraph (a), clause (6), a clinic that
311.5 otherwise meets CCBHC requirements may receive the prospective payment under
311.6 paragraph (f) for those services without a county contract or county approval. There is no
311.7 county share when medical assistance pays the CCBHC prospective payment. As part of
311.8 the certification process in paragraph (a), the commissioner shall require a letter of support
311.9 from the CCBHC's host county confirming that the CCBHC and the county or counties it
311.10 serves have an ongoing relationship to facilitate access and continuity of care, especially
311.11 for individuals who are uninsured or who may go on and off medical assistance.

311.12 (d) When the standards listed in paragraph (a) or other applicable standards
311.13 conflict or address similar issues in duplicative or incompatible ways, the commissioner
311.14 may grant variances to state requirements if the variances do not conflict with federal
311.15 requirements. If standards overlap, the commissioner may substitute all or a part of a
311.16 licensure or certification that is substantially the same as another licensure or certification.
311.17 The commissioner shall consult with stakeholders, as described in subdivision 4, before
311.18 granting variances under this provision.

311.19 (e) The commissioner shall issue a list of required evidence-based practices to be
311.20 delivered by CCBHCs, and may also provide a list of recommended evidence-based
311.21 practices. The commissioner may update the list to reflect advances in outcomes research
311.22 and medical services for persons living with mental illnesses or substance use disorders.
311.23 The commissioner shall take into consideration the adequacy of evidence to support the
311.24 efficacy of the practice, the quality of workforce available, and the current availability of
311.25 the practice in the state. At least 30 days before issuing the initial list and any revisions,
311.26 the commissioner shall provide stakeholders with an opportunity to comment.

311.27 ~~(b)~~ (f) The commissioner shall establish standards and methodologies for a
311.28 prospective payment system for medical assistance payments for mental health services
311.29 delivered by certified community behavioral health clinics, in accordance with guidance
311.30 issued on or before September 1, 2015, by the Centers for Medicare and Medicaid
311.31 Services. During the operation of the demonstration project, payments shall comply with
311.32 federal requirements for a 90 percent an enhanced federal medical assistance percentage.
311.33 The commissioner may include quality bonus payment in the prospective payment system
311.34 based on federal criteria and on a clinic's provision of the evidence-based practices
311.35 in paragraph (e). The prospective payment system does not apply to MinnesotaCare.

312.1 Implementation of the prospective payment system is effective July 1, 2017, or upon
312.2 federal approval, whichever is later.

312.3 (g) The commissioner shall seek federal approval to continue federal financial
312.4 participation in payment for CCBHC services after the federal demonstration period
312.5 ends for clinics that were certified as CCBHCs during the demonstration period and
312.6 that continue to meet the CCBHC certification standards in paragraph (a). Payment
312.7 for CCBHC services shall cease effective July 1, 2019, if continued federal financial
312.8 participation for the payment of CCBHC services cannot be obtained.

312.9 (h) The commissioner may certify at least one CCBHC located in an urban area and
312.10 at least one CCBHC located in a rural area, as defined by federal criteria. To the extent
312.11 allowed by federal law, the commissioner may limit the number of certified clinics so
312.12 that the projected claims for certified clinics will not exceed the funds budgeted for this
312.13 purpose. The commissioner shall give preference to clinics that:

312.14 (1) provide a comprehensive range of services and evidence-based practices for all
312.15 age groups, with services being fully coordinated and integrated; and

312.16 (2) enhance the state's ability to meet the federal priorities to be selected as a
312.17 CCBHC demonstration state.

312.18 (i) The commissioner shall recertify CCBHCs at least every three years. The
312.19 commissioner shall establish a process for decertification and shall require corrective
312.20 action, medical assistance repayment, or decertification of a CCBHC that no longer
312.21 meets the requirements in this section or that fails to meet the standards provided by the
312.22 commissioner in the application and certification process.

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

312.24 Sec. 2. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 4, is
312.25 amended to read:

312.26 Subd. 4. **Public participation.** In developing ~~the projects~~ and implementing
312.27 CCBHCs under subdivision 3, the commissioner shall consult, collaborate, and partner
312.28 with stakeholders, including but not limited to mental health providers, substance
312.29 use disorder treatment providers, advocacy organizations, licensed mental health
312.30 professionals, counties, tribes, hospitals, other health care providers, and Minnesota public
312.31 health care program enrollees who receive mental health services and their families.

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

312.33 Sec. 3. Minnesota Statutes 2014, section 245.99, subdivision 2, is amended to read:

313.1 Subd. 2. **Rental assistance.** The program shall pay up to 90 days of housing
313.2 assistance for persons with a serious ~~and persistent~~ mental illness who require inpatient or
313.3 residential care for stabilization. The commissioner of human services may extend the
313.4 length of assistance on a case-by-case basis.

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

313.6 Sec. 4. Minnesota Statutes 2014, section 254B.01, subdivision 4a, is amended to read:

313.7 Subd. 4a. **Culturally specific program.** (a) "Culturally specific program" means a
313.8 substance use disorder treatment service program or subprogram that is recovery-focused
313.9 and culturally specific when the program:

313.10 (1) improves service quality to and outcomes of a specific population by advancing
313.11 health equity to help eliminate health disparities; and

313.12 (2) ensures effective, equitable, comprehensive, and respectful quality care services
313.13 that are responsive to an individual within a specific population's values, beliefs and
313.14 practices, health literacy, preferred language, and other communication needs.

313.15 (b) A tribally licensed substance use disorder program that is designated as serving
313.16 a culturally specific population by the applicable tribal government is deemed to satisfy
313.17 this subdivision.

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

313.19 Sec. 5. Minnesota Statutes 2014, section 254B.03, subdivision 4, is amended to read:

313.20 Subd. 4. **Division of costs.** (a) Except for services provided by a county under
313.21 section 254B.09, subdivision 1, or services provided under section 256B.69 ~~or 256D.03,~~
313.22 ~~subdivision 4, paragraph (b),~~ the county shall, out of local money, pay the state for 22.95
313.23 percent of the cost of chemical dependency services, including those services provided to
313.24 persons eligible for medical assistance under chapter 256B and general assistance medical
313.25 care under chapter 256D. Counties may use the indigent hospitalization levy for treatment
313.26 and hospital payments made under this section.

313.27 (b) 22.95 percent of any state collections from private or third-party pay, less 15
313.28 percent for the cost of payment and collections, must be distributed to the county that paid
313.29 for a portion of the treatment under this section.

313.30 (c) For fiscal year 2017 only, the 22.95 percentages under paragraphs (a) and (b)
313.31 are equal to 20.2 percent.

313.32 Sec. 6. Minnesota Statutes 2014, section 254B.04, subdivision 2a, is amended to read:

314.1 Subd. 2a. **Eligibility for treatment in residential settings.** Notwithstanding
314.2 provisions of Minnesota Rules, part 9530.6622, subparts 5 and 6, related to an assessor's
314.3 discretion in making placements to residential treatment settings, a person eligible for
314.4 services under this section must score at level 4 on assessment dimensions related to
314.5 relapse, continued use, or recovery environment in order to be assigned to services with a
314.6 room and board component reimbursed under this section. Whether a treatment facility
314.7 has been designated an institution for mental diseases under United States Code, title 42,
314.8 section 1396d, shall not be a factor in making placements.

314.9 Sec. 7. Minnesota Statutes 2015 Supplement, section 254B.05, subdivision 5, is
314.10 amended to read:

314.11 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for
314.12 chemical dependency services and service enhancements funded under this chapter.

314.13 (b) Eligible chemical dependency treatment services include:

314.14 (1) outpatient treatment services that are licensed according to Minnesota Rules,
314.15 parts 9530.6405 to 9530.6480, or applicable tribal license;

314.16 (2) medication-assisted therapy services that are licensed according to Minnesota
314.17 Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

314.18 (3) medication-assisted therapy plus enhanced treatment services that meet the
314.19 requirements of clause (2) and provide nine hours of clinical services each week;

314.20 (4) high, medium, and low intensity residential treatment services that are licensed
314.21 according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable
314.22 tribal license which provide, respectively, 30, 15, and five hours of clinical services each
314.23 week;

314.24 (5) hospital-based treatment services that are licensed according to Minnesota Rules,
314.25 parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under
314.26 sections 144.50 to 144.56;

314.27 (6) adolescent treatment programs that are licensed as outpatient treatment programs
314.28 according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment
314.29 programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430
314.30 to 2960.0490, or applicable tribal license;

314.31 (7) high-intensity residential treatment services that are licensed according to
314.32 Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal
314.33 license, which provide 30 hours of clinical services each week provided by a state-operated
314.34 vendor or to clients who have been civilly committed to the commissioner, present the
314.35 most complex and difficult care needs, and are a potential threat to the community; and

- 315.1 (8) room and board facilities that meet the requirements of subdivision 1a.
- 315.2 (c) The commissioner shall establish higher rates for programs that meet the
- 315.3 requirements of paragraph (b) and one of the following additional requirements:
- 315.4 (1) programs that serve parents with their children if the program:
- 315.5 (i) provides on-site child care during the hours of treatment activity that:
- 315.6 (A) is licensed under chapter 245A as a child care center under Minnesota Rules,
- 315.7 chapter 9503; or
- 315.8 (B) meets the licensure exclusion criteria of section 245A.03, subdivision 2,
- 315.9 paragraph (a), clause (6), and meets the requirements under Minnesota Rules, part
- 315.10 9530.6490, subpart 4; or
- 315.11 (ii) arranges for off-site child care during hours of treatment activity at a facility that
- 315.12 is licensed under chapter 245A as:
- 315.13 (A) a child care center under Minnesota Rules, chapter 9503; or
- 315.14 (B) a family child care home under Minnesota Rules, chapter 9502;
- 315.15 (2) culturally specific programs as defined in section 254B.01, subdivision 4a, or
- 315.16 programs or subprograms serving special populations, if the program or subprogram meets
- 315.17 the following requirements in Minnesota Rules, part 9530.6605, subpart 13;
- 315.18 (i) is designed to address the unique needs of individuals who share a common
- 315.19 language, racial, ethnic, or social background;
- 315.20 (ii) is governed with significant input from individuals of that specific background;
- 315.21 and
- 315.22 (iii) employs individuals to provide individual or group therapy, at least 50 percent
- 315.23 of whom are of that specific background, except when the common social background of
- 315.24 the individuals served is a traumatic brain injury or cognitive disability and the program
- 315.25 employs treatment staff who have the necessary professional training, as approved by the
- 315.26 commissioner, to serve clients with the specific disabilities that the program is designed
- 315.27 to serve;
- 315.28 (3) programs that offer medical services delivered by appropriately credentialed
- 315.29 health care staff in an amount equal to two hours per client per week if the medical
- 315.30 needs of the client and the nature and provision of any medical services provided are
- 315.31 documented in the client file; and
- 315.32 (4) programs that offer services to individuals with co-occurring mental health and
- 315.33 chemical dependency problems if:
- 315.34 (i) the program meets the co-occurring requirements in Minnesota Rules, part
- 315.35 9530.6495;

316.1 (ii) 25 percent of the counseling staff are licensed mental health professionals, as
316.2 defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing
316.3 candidates under the supervision of a licensed alcohol and drug counselor supervisor and
316.4 licensed mental health professional, except that no more than 50 percent of the mental
316.5 health staff may be students or licensing candidates with time documented to be directly
316.6 related to provisions of co-occurring services;

316.7 (iii) clients scoring positive on a standardized mental health screen receive a mental
316.8 health diagnostic assessment within ten days of admission;

316.9 (iv) the program has standards for multidisciplinary case review that include a
316.10 monthly review for each client that, at a minimum, includes a licensed mental health
316.11 professional and licensed alcohol and drug counselor, and their involvement in the review
316.12 is documented;

316.13 (v) family education is offered that addresses mental health and substance abuse
316.14 disorders and the interaction between the two; and

316.15 (vi) co-occurring counseling staff ~~will~~ shall receive eight hours of co-occurring
316.16 disorder training annually.

316.17 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program
316.18 that provides arrangements for off-site child care must maintain current documentation at
316.19 the chemical dependency facility of the child care provider's current licensure to provide
316.20 child care services. Programs that provide child care according to paragraph (c), clause
316.21 (1), must be deemed in compliance with the licensing requirements in Minnesota Rules,
316.22 part 9530.6490.

316.23 (e) Adolescent residential programs that meet the requirements of Minnesota
316.24 Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the
316.25 requirements in paragraph (c), clause (4), items (i) to (iv).

316.26 (f) Subject to federal approval, chemical dependency services that are otherwise
316.27 covered as direct face-to-face services may be provided via two-way interactive video.
316.28 The use of two-way interactive video must be medically appropriate to the condition and
316.29 needs of the person being served. Reimbursement shall be at the same rates and under the
316.30 same conditions that would otherwise apply to direct face-to-face services. The interactive
316.31 video equipment and connection must comply with Medicare standards in effect at the
316.32 time the service is provided.

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

316.34 Sec. 8. Minnesota Statutes 2014, section 254B.06, subdivision 2, is amended to read:

317.1 Subd. 2. **Allocation of collections.** (a) The commissioner shall allocate all federal
317.2 financial participation collections to a special revenue account. The commissioner shall
317.3 allocate 77.05 percent of patient payments and third-party payments to the special revenue
317.4 account and 22.95 percent to the county financially responsible for the patient.

317.5 (b) For fiscal year 2017 only, the commissioner's allocation to the special revenue
317.6 account shall be increased from 77.05 percent to 79.8 percent and the county financial
317.7 responsibility shall be reduced from 22.95 percent to 20.2 percent.

317.8 **EFFECTIVE DATE.** This section is effective July 1, 2016.

317.9 Sec. 9. Minnesota Statutes 2014, section 254B.06, is amended by adding a subdivision
317.10 to read:

317.11 Subd. 4. **Reimbursement for institutions for mental diseases.** The commissioner
317.12 shall not deny reimbursement to a program designated as an institution for mental diseases
317.13 under United States Code, title 42, section 1396d, due to a reduction in federal financial
317.14 participation and the addition of new residential beds.

317.15 Sec. 10. **[254B.15] PILOT PROJECTS; TREATMENT FOR PREGNANT AND**
317.16 **POSTPARTUM WOMEN WITH SUBSTANCE USE DISORDER.**

317.17 Subdivision 1. **Pilot projects established.** (a) Within the limits of federal funds
317.18 available specifically for this purpose, the commissioner of human services shall establish
317.19 pilot projects to provide substance use disorder treatment and services to pregnant and
317.20 postpartum women with a primary diagnosis of substance use disorder, including opioid
317.21 use disorder. Pilot projects funded under this section must:

317.22 (1) promote flexible uses of funds to provide treatment and services to pregnant and
317.23 postpartum women with substance use disorders;

317.24 (2) fund family-based treatment and services for pregnant and postpartum women
317.25 with substance use disorders;

317.26 (3) identify gaps in services along the continuum of care that are provided to
317.27 pregnant and postpartum women with substance use disorders; and

317.28 (4) encourage new approaches to service delivery and service delivery models.

317.29 (b) A pilot project funded under this section must provide at least a portion of its
317.30 treatment and services to women who receive services on an outpatient basis.

317.31 Subd. 2. **Federal funds.** The commissioner shall apply for any available grant funds
317.32 from the federal Center for Substance Abuse Treatment for these pilot projects.

318.1 Sec. 11. Minnesota Statutes 2014, section 256B.0622, is amended by adding a
318.2 subdivision to read:

318.3 Subd. 12. **Start-up grants.** The commissioner may, within available appropriations,
318.4 disburse grant funding to counties, Indian tribes, or mental health service providers to
318.5 establish additional assertive community treatment teams, intensive residential treatment
318.6 services, or crisis residential services.

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

318.8 **ARTICLE 17**

318.9 **DIRECT CARE AND TREATMENT**

318.10 Section 1. Minnesota Statutes 2014, section 246.50, subdivision 7, is amended to read:

318.11 Subd. 7. **Client's county.** "Client's county" means the county of the client's legal
318.12 settlement for poor relief purposes at the time of commitment or voluntary admission to a
318.13 state facility, or if the client has no such legal settlement in this state, it means the county
318.14 of commitment financial responsibility under chapter 256G, except that where a client
318.15 with no such legal settlement residence in this state is committed while serving a sentence
318.16 at a penal institution, it means the county from which the client was sentenced.

318.17 Sec. 2. Minnesota Statutes 2014, section 246.54, as amended by Laws 2015, chapter
318.18 71, article 4, section 2, is amended to read:

318.19 **246.54 LIABILITY OF COUNTY; REIMBURSEMENT.**

318.20 Subdivision 1. ~~County portion for cost of care~~ Generally. (a) Except for chemical
318.21 dependency services provided under sections 254B.01 to 254B.09, the client's county
318.22 shall pay to the state of Minnesota a portion of the cost of care provided in a regional
318.23 treatment center or a state nursing facility to a client legally settled in that county. A
318.24 county's payment shall be made from the county's own sources of revenue and payments
318.25 shall equal a percentage of the cost of care, as determined by the commissioner, for each
318.26 day, or the portion thereof, that the client spends at a regional treatment center or a state
318.27 nursing facility ~~according to the following schedule:~~

318.28 Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of
318.29 the cost of care provided at Anoka-Metro Regional Treatment Center shall be according to
318.30 the following schedule:

318.31 (1) zero percent for the first 30 days;

318.32 (2) 20 percent for days 31 and over if the stay is determined to be clinically
318.33 appropriate for the client; and

319.1 (3) 100 percent for each day during the stay, including the day of admission, when
319.2 the facility determines that it is clinically appropriate for the client to be discharged.

319.3 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80
319.4 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph
319.5 (a), clause (2), the county shall be responsible for paying the state only the remaining
319.6 amount. The county shall not be entitled to reimbursement from the client, the client's
319.7 estate, or from the client's relatives, except as provided in section 246.53.

319.8 Subd. 1b. **Community behavioral health hospitals.** A county's payment of the
319.9 cost of care provided at state-operated community-based behavioral health hospitals shall
319.10 be according to the following schedule:

319.11 (1) 100 percent for each day during the stay, including the day of admission, when
319.12 the facility determines that it is clinically appropriate for the client to be discharged; and

319.13 (2) the county shall not be entitled to reimbursement from the client, the client's
319.14 estate, or from the client's relatives, except as provided in section 246.53.

319.15 Subd. 1c. **State-operated forensic services.** A county's payment of the cost of care
319.16 provided at state-operated forensic services shall be according to the following schedule:

319.17 (1) Minnesota Security Hospital: ten percent for each day, or portion thereof, that the
319.18 client spends in a Minnesota Security Hospital program. If payments received by the state
319.19 under sections 246.50 to 246.53 for services provided at the Minnesota Security Hospital
319.20 exceed 90 percent of the cost of care, the county shall be responsible for paying the state
319.21 only the remaining amount. The county shall not be entitled to reimbursement from the
319.22 client, the client's estate, or the client's relatives except as provided in section 246.53;

319.23 (2) forensic nursing home: ten percent for each day, or portion thereof, that the client
319.24 spends in a forensic nursing home program. If payments received by the state under
319.25 sections 246.50 to 246.53 for services provided at the forensic nursing home exceed 90
319.26 percent of the cost of care, the county shall be responsible for paying the state only the
319.27 remaining amount. The county shall not be entitled to reimbursement from the client, the
319.28 client's estate, or the client's relatives except as provided in section 246.53;

319.29 (3) forensic transition services: 50 percent for each day, or portion thereof, that the
319.30 client spends in the forensic transition services program. If payments received by the state
319.31 under sections 246.50 to 246.53 for services provided in the forensic transition services
319.32 exceed 50 percent of the cost of care, the county shall be responsible for paying the state
319.33 only the remaining amount. The county shall not be entitled to reimbursement from the
319.34 client, the client's estate, or the client's relatives except as provided in section 246.53; and

319.35 (4) residential competency restoration program:

320.1 (i) 20 percent for each day, or portion thereof, that the client spends in a residential
320.2 competency restoration program while the client is in need of restoration services;

320.3 (ii) 50 percent for each day, or portion thereof, that the client spends in a residential
320.4 competency restoration program once the examiner determines that the client no longer
320.5 needs restoration services; and

320.6 (iii) 100 percent for each day, or portion thereof, once charges against a client have
320.7 been resolved or dropped.

320.8 Subd. 2. **Exceptions.** ~~(a) Subdivision 1 does not apply to services provided at the~~
320.9 ~~Minnesota Security Hospital. For services at the Minnesota Security Hospital, a county's~~
320.10 ~~payment shall be made from the county's own sources of revenue and payments. Excluding~~
320.11 ~~the state-operated forensic transition service, payments to the state from the county shall~~
320.12 ~~equal ten percent of the cost of care, as determined by the commissioner, for each day, or~~
320.13 ~~the portion thereof, that the client spends at the facility. For the state-operated forensic~~
320.14 ~~transition service, payments to the state from the county shall equal 50 percent of the cost of~~
320.15 ~~care, as determined by the commissioner, for each day, or the portion thereof, that the client~~
320.16 ~~spends in the program. If payments received by the state under sections 246.50 to 246.53~~
320.17 ~~for services provided at the Minnesota Security Hospital, excluding the state-operated~~
320.18 ~~forensic transition service, exceed 90 percent of the cost of care, the county shall be~~
320.19 ~~responsible for paying the state only the remaining amount. If payments received by the~~
320.20 ~~state under sections 246.50 to 246.53 for the state-operated forensic transition service~~
320.21 ~~exceed 50 percent of the cost of care, the county shall be responsible for paying the state~~
320.22 ~~only the remaining amount. The county shall not be entitled to reimbursement from the~~
320.23 ~~client, the client's estate, or from the client's relatives, except as provided in section 246.53.~~

320.24 ~~(b) Regardless of the facility to which the client is committed, subdivision 1 does~~
320.25 ~~subdivisions 1, 1a, 1b, and 1c, do not apply to the following individuals:~~

320.26 (1) clients who are committed as sexual psychopathic personalities under section
320.27 253D.02, subdivision 15; and

320.28 (2) clients who are committed as sexually dangerous persons under section 253D.02,
320.29 subdivision 16.

320.30 Sec. 3. Minnesota Statutes 2014, section 246B.01, subdivision 1b, is amended to read:

320.31 Subd. 1b. **Civilly committed sex offender's county.** "Civilly committed sex
320.32 offender's county" means the county of the civilly committed sex offender's legal
320.33 settlement for poor relief purposes at the time of commitment. ~~If the civilly committed~~
320.34 ~~sex offender has no legal settlement for poor relief in this state, it means the county of~~
320.35 ~~commitment~~ financial responsibility under chapter 256G, except that when a civilly

321.1 committed sex offender with no ~~legal settlement for poor relief~~ residence in this state is
321.2 committed while serving a sentence at a penal institution, it means the county from which
321.3 the civilly committed sex offender was sentenced.

321.4 Sec. 4. Minnesota Statutes 2014, section 246B.035, is amended to read:

321.5 **246B.035 ANNUAL PERFORMANCE REPORT REQUIRED.**

321.6 The executive director of the Minnesota sex offender program shall submit
321.7 electronically a performance report to the chairs and ranking minority members of the
321.8 legislative committees and divisions with jurisdiction over funding for the program by
321.9 ~~January~~ February 15 of each year beginning in ~~2010~~ 2017. The report must include the
321.10 following:

321.11 (1) a description of the program, including the strategic mission, goals, objectives,
321.12 and outcomes;

321.13 (2) the programwide per diem reported in a standard calculated method as outlined
321.14 in the program policies and procedures;

321.15 (3) program annual statistics as outlined in the departmental policies and procedures;
321.16 and

321.17 (4) the sex offender program evaluation report required under section 246B.03. The
321.18 executive director shall submit a printed copy upon request.

321.19 Sec. 5. **REPORT ON ANOKA-METRO REGIONAL TREATMENT CENTER**
321.20 **(AMRTC), MINNESOTA SECURITY HOSPITAL (MSH), AND COMMUNITY**
321.21 **BEHAVIORAL HEALTH HOSPITALS (CBHH).**

321.22 The commissioner of human services shall issue a public quarterly report to the
321.23 chairs and ranking minority leaders of the senate and house of representatives committees
321.24 having jurisdiction over health and human services issues on the AMRTC, MSH, and
321.25 CBHH. The report shall contain information on the number of licensed beds, budgeted
321.26 capacity, occupancy rate, number of Occupational Safety and Health Administration
321.27 (OSHA) recordable injuries and the number of OSHA recordable injuries due to patient
321.28 aggression or restraint, number of clinical positions budgeted, the percentage of those
321.29 positions that are filled, the number of direct care positions budgeted, and the percentage
321.30 of those positions that are filled.

322.1 **ARTICLE 18**

322.2 **CONTINUING CARE**

322.3 Section 1. Minnesota Statutes 2014, section 144A.073, subdivision 13, is amended to
322.4 read:

322.5 Subd. 13. **Moratorium exception funding.** In fiscal year 2013, the commissioner
322.6 of health may approve moratorium exception projects under this section for which the
322.7 full annualized state share of medical assistance costs does not exceed \$1,000,000 plus
322.8 any carryover of previous appropriations for this purpose.

322.9 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2012.

322.10 Sec. 2. Minnesota Statutes 2014, section 144A.073, subdivision 14, is amended to read:

322.11 Subd. 14. **Moratorium exception funding.** In fiscal year 2015, the commissioner
322.12 of health may approve moratorium exception projects under this section for which the
322.13 full annualized state share of medical assistance costs does not exceed \$1,000,000 plus
322.14 any carryover of previous appropriations for this purpose.

322.15 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2014.

322.16 Sec. 3. Minnesota Statutes 2014, section 144A.073, is amended by adding a
322.17 subdivision to read:

322.18 Subd. 15. **Moratorium exception funding.** In fiscal year 2017, the commissioner
322.19 may approve moratorium exception projects under this section for which the full
322.20 annualized state share of medical assistance costs does not exceed \$1,000,000 plus any
322.21 carryover of previous appropriations for this purpose.

322.22 Sec. 4. Minnesota Statutes 2014, section 144A.611, subdivision 1, is amended to read:

322.23 Subdivision 1. **Nursing homes and certified boarding care homes.** The actual
322.24 costs of tuition and textbooks and reasonable expenses for the competency evaluation
322.25 or the nursing assistant training program and competency evaluation approved under
322.26 section 144A.61, which are paid to nursing assistants or adult training programs pursuant
322.27 to ~~subdivision~~ subdivisions 2 and 4, are a reimbursable expense for nursing homes
322.28 and certified boarding care homes under ~~the provisions of chapter 256B and the rules~~
322.29 ~~promulgated thereunder~~ section 256B.431, subdivision 36.

322.30 **EFFECTIVE DATE.** This section is effective for costs incurred on or after October
322.31 1, 2016.

323.1 Sec. 5. Minnesota Statutes 2014, section 144A.611, subdivision 2, is amended to read:

323.2 Subd. 2. **Nursing assistants Reimbursement for training program and**
323.3 **competency evaluation costs.** A nursing assistant who has completed an approved
323.4 competency evaluation or an approved training program and competency evaluation
323.5 shall be reimbursed by the nursing home or certified boarding care home for actual costs
323.6 of tuition and textbooks and reasonable expenses for the competency evaluation or the
323.7 training program and competency evaluation 90 days after the date of employment, or
323.8 upon completion of the approved training program, whichever is later.

323.9 **EFFECTIVE DATE.** This section is effective for costs incurred on or after October
323.10 1, 2016.

323.11 Sec. 6. Minnesota Statutes 2014, section 144A.611, is amended by adding a
323.12 subdivision to read:

323.13 Subd. 4. **Reimbursement for adult basic education components.** (a) Nursing
323.14 facilities and certified boarding care homes shall provide reimbursement for costs related
323.15 to additional adult basic education components of an approved nursing assistant training
323.16 program, to:

323.17 (1) an adult training program that provided an approved nursing assistant training
323.18 program to an employee of the nursing facility or boarding care home; or

323.19 (2) a nursing assistant who is an employee of the nursing facility or boarding care
323.20 home and completed an approved nursing assistant training program provided by an
323.21 adult training program.

323.22 (b) For purposes of this subdivision, adult basic education components of a nursing
323.23 assistant training program must include the following, if needed: training in mathematics,
323.24 vocabulary, literacy skills, workplace skills, resume writing, and job interview skills.

323.25 Reimbursement provided under this subdivision shall not exceed 30 percent of the cost of
323.26 tuition, textbooks, and competency evaluation.

323.27 (c) An adult training program is prohibited from billing program students, nursing
323.28 facilities, or certified boarding care homes for costs under this subdivision until the
323.29 program student has been employed by the nursing facility as a certified nursing assistant
323.30 for at least 90 days.

323.31 **EFFECTIVE DATE.** This section is effective for costs incurred on or after October
323.32 1, 2016.

324.1 Sec. 7. Minnesota Statutes 2014, section 245A.11, subdivision 2a, as amended by Laws
324.2 2016, chapter 163, article 3, section 5, if enacted, is amended to read:

324.3 Subd. 2a. **Adult foster care and community residential setting license capacity.**

324.4 (a) The commissioner shall issue adult foster care and community residential setting
324.5 licenses with a maximum licensed capacity of four beds, including nonstaff roomers and
324.6 boarders, except that the commissioner may issue a license with a capacity of five beds,
324.7 including roomers and boarders, according to paragraphs (b) to (f).

324.8 (b) The license holder may have a maximum license capacity of five if all persons
324.9 in care are age 55 or over and do not have a serious and persistent mental illness or a
324.10 developmental disability.

324.11 (c) The commissioner may grant variances to paragraph (b) to allow a facility with a
324.12 licensed capacity of up to five persons to admit an individual under the age of 55 if the
324.13 variance complies with section 245A.04, subdivision 9, and approval of the variance is
324.14 recommended by the county in which the licensed facility is located.

324.15 (d) The commissioner may grant variances to paragraph (b) to allow the use of
324.16 an additional bed, up to five, for emergency crisis services for a person with serious
324.17 and persistent mental illness or a developmental disability, regardless of age, if the
324.18 variance complies with section 245A.04, subdivision 9, and approval of the variance is
324.19 recommended by the county in which the licensed facility is located.

324.20 (e) The commissioner may grant a variance to paragraph (b) to allow for the use
324.21 of an additional bed, up to five, for respite services, as defined in section 245A.02,
324.22 for persons with disabilities, regardless of age, if the variance complies with sections
324.23 245A.03, subdivision 7, and 245A.04, subdivision 9, and approval of the variance is
324.24 recommended by the county in which the licensed facility is located. Respite care may be
324.25 provided under the following conditions:

324.26 (1) staffing ratios cannot be reduced below the approved level for the individuals
324.27 being served in the home on a permanent basis;

324.28 (2) no more than two different individuals can be accepted for respite services in
324.29 any calendar month and the total respite days may not exceed 120 days per program in
324.30 any calendar year;

324.31 (3) the person receiving respite services must have his or her own bedroom, which
324.32 could be used for alternative purposes when not used as a respite bedroom, and cannot be
324.33 the room of another person who lives in the facility; and

324.34 (4) individuals living in the facility must be notified when the variance is approved.
324.35 The provider must give 60 days' notice in writing to the residents and their legal
324.36 representatives prior to accepting the first respite placement. Notice must be given to

325.1 residents at least two days prior to service initiation, or as soon as the license holder is
325.2 able if they receive notice of the need for respite less than two days prior to initiation,
325.3 each time a respite client will be served, unless the requirement for this notice is waived
325.4 by the resident or legal guardian.

325.5 (f) The commissioner may issue an adult foster care or community residential setting
325.6 license with a capacity of five adults if the fifth bed does not increase the overall statewide
325.7 capacity of licensed adult foster care or community residential setting beds in homes that
325.8 are not the primary residence of the license holder, as identified in a plan submitted to the
325.9 commissioner by the county, when the capacity is recommended by the county licensing
325.10 agency of the county in which the facility is located and if the recommendation verifies that:

325.11 (1) the facility meets the physical environment requirements in the adult foster
325.12 care licensing rule;

325.13 (2) the five-bed living arrangement is specified for each resident in the resident's:

325.14 (i) individualized plan of care;

325.15 (ii) individual service plan under section 256B.092, subdivision 1b, if required; or

325.16 (iii) individual resident placement agreement under Minnesota Rules, part
325.17 9555.5105, subpart 19, if required;

325.18 (3) the license holder obtains written and signed informed consent from each
325.19 resident or resident's legal representative documenting the resident's informed choice
325.20 to remain living in the home and that the resident's refusal to consent would not have
325.21 resulted in service termination; and

325.22 (4) the facility was licensed for adult foster care before March 1, 2011.

325.23 (g) The commissioner shall not issue a new adult foster care license under paragraph
325.24 (f) after June 30, ~~2019~~ 2017. The commissioner shall allow a facility with an adult foster
325.25 care license issued under paragraph (f) before June 30, ~~2019~~ 2017, to continue with a
325.26 capacity of five adults if the license holder continues to comply with the requirements in
325.27 paragraph (f).

325.28 Sec. 8. Minnesota Statutes 2015 Supplement, section 256B.431, subdivision 36,
325.29 is amended to read:

325.30 Subd. 36. **Employee scholarship costs and training in English as a second**
325.31 **language.** (a) For the period between July 1, 2001, and June 30, 2003, the commissioner
325.32 shall provide to each nursing facility reimbursed under this section, section 256B.434,
325.33 or any other section, a scholarship per diem of 25 cents to the total operating payment
325.34 rate. For the 27-month period beginning October 1, 2015, through December 31, 2017,
325.35 the commissioner shall allow a scholarship per diem of up to 25 cents for each nursing

326.1 facility with no scholarship per diem that is requesting a scholarship per diem to be added
326.2 to the external fixed payment rate to be used:

326.3 (1) for employee scholarships that satisfy the following requirements:

326.4 (i) scholarships are available to all employees who work an average of at least
326.5 ten hours per week at the facility except the administrator, and to reimburse student
326.6 loan expenses for newly hired and recently graduated registered nurses and licensed
326.7 practical nurses, and training expenses for nursing assistants as ~~defined~~ specified in section
326.8 144A.611, ~~subdivision~~ subdivisions 2 and 4, who are newly hired and have graduated
326.9 within the last 12 months; and

326.10 (ii) the course of study is expected to lead to career advancement with the facility or
326.11 in long-term care, including medical care interpreter services and social work; and

326.12 (2) to provide job-related training in English as a second language.

326.13 (b) All facilities may annually request a rate adjustment under this subdivision by
326.14 submitting information to the commissioner on a schedule and in a form supplied by the
326.15 commissioner. The commissioner shall allow a scholarship payment rate equal to the
326.16 reported and allowable costs divided by resident days.

326.17 (c) In calculating the per diem under paragraph (b), the commissioner shall allow
326.18 costs related to tuition, direct educational expenses, and reasonable costs as defined by the
326.19 commissioner for child care costs and transportation expenses related to direct educational
326.20 expenses.

326.21 (d) The rate increase under this subdivision is an optional rate add-on that the facility
326.22 must request from the commissioner in a manner prescribed by the commissioner. The
326.23 rate increase must be used for scholarships as specified in this subdivision.

326.24 (e) For instances in which a rate adjustment will be 15 cents or greater, nursing
326.25 facilities that close beds during a rate year may request to have their scholarship
326.26 adjustment under paragraph (b) recalculated by the commissioner for the remainder of the
326.27 rate year to reflect the reduction in resident days compared to the cost report year.

326.28 **EFFECTIVE DATE.** This section is effective for costs incurred on or after October
326.29 1, 2016.

326.30 **Sec. 9. REVISOR'S INSTRUCTION.**

326.31 (a) The revisor of statutes shall codify Laws 2015, chapter 71, article 7, section 55,
326.32 as Minnesota Statutes, section 256B.0921.

326.33 (b) The revisor of statutes, in consultation with the Department of Human Services,
326.34 shall change the cross-references in Minnesota Rules, chapters 2960, 9503, and 9525,
326.35 resulting from the repealer adopted in rules found at 40 State Register 179. The revisor

327.1 may make technical and other necessary changes to sentence structure to preserve the
327.2 meaning of the text.

327.3 **EFFECTIVE DATE.** Paragraph (b) is effective the day following final enactment.

327.4 **ARTICLE 19**

327.5 **HEALTH CARE**

327.6 Section 1. Minnesota Statutes 2015 Supplement, section 16A.724, subdivision 2,
327.7 is amended to read:

327.8 Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available
327.9 resources in the health care access fund exceed expenditures in that fund, effective for
327.10 the biennium beginning July 1, 2007, the commissioner of management and budget
327.11 shall transfer the excess funds from the health care access fund to the general fund on
327.12 June 30 of each year, provided that the amount transferred in fiscal year 2016 shall not
327.13 exceed \$48,000,000, the amount in fiscal year 2017 shall not exceed \$122,000,000, and
327.14 the amount in any fiscal biennium thereafter shall not exceed \$96,000,000 \$244,000,000.
327.15 The purpose of this transfer is to meet the rate increase required under Laws 2003, First
327.16 Special Session chapter 14, article 13C, section 2, subdivision 6.

327.17 (b) For fiscal years 2006 to 2011, MinnesotaCare shall be a forecasted program, and,
327.18 if necessary, the commissioner shall reduce these transfers from the health care access
327.19 fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary,
327.20 transfer sufficient funds from the general fund to the health care access fund to meet
327.21 annual MinnesotaCare expenditures.

327.22 Sec. 2. Minnesota Statutes 2014, section 62V.05, is amended by adding a subdivision
327.23 to read:

327.24 Subd. 12. **Reports on interagency agreements and intra-agency transfers.** The
327.25 MNsure Board shall provide quarterly reports to the chairs and ranking minority members
327.26 of the legislative committees with jurisdiction over health and human services policy
327.27 and finance on:

327.28 (1) interagency agreements or service-level agreements and any renewals or
327.29 extensions of existing interagency or service-level agreements with a state department
327.30 under section 15.01, state agency under section 15.012, or the Office of MN.IT Services,
327.31 with a value of more than \$100,000, or related agreements with the same department or
327.32 agency with a cumulative value of more than \$100,000; and

327.33 (2) transfers of appropriations of more than \$100,000 between accounts within or
327.34 between agencies.

328.1 The report must include the statutory citation authorizing the agreement, transfer or dollar
328.2 amount, purpose, and effective date of the agreement, the duration of the agreement, and
328.3 a copy of the agreement.

328.4 Sec. 3. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision
328.5 to read:

328.6 Subd. 41. **Reports on interagency agreements and intra-agency transfers.** The
328.7 commissioner of human services shall provide quarterly reports to the chairs and ranking
328.8 minority members of the legislative committees with jurisdiction over health and human
328.9 services policy and finance on:

328.10 (1) interagency agreements or service-level agreements and any renewals or
328.11 extensions of existing interagency or service-level agreements with a state department
328.12 under section 15.01, state agency under section 15.012, or the Office of MN.IT Services,
328.13 with a value of more than \$100,000, or related agreements with the same department or
328.14 agency with a cumulative value of more than \$100,000; and

328.15 (2) transfers of appropriations of more than \$100,000 between accounts within or
328.16 between agencies.

328.17 The report must include the statutory citation authorizing the agreement, transfer or dollar
328.18 amount, purpose, and effective date of the agreement, the duration of the agreement, and
328.19 a copy of the agreement.

328.20 Sec. 4. Minnesota Statutes 2014, section 256B.059, subdivision 1, is amended to read:

328.21 Subdivision 1. **Definitions.** (a) For purposes of this section and sections 256B.058
328.22 and 256B.0595, the terms defined in this subdivision have the meanings given them.

328.23 (b) "Community spouse" means the spouse of an institutionalized spouse.

328.24 ~~(c) "Spousal share" means one-half of the total value of all assets, to the extent that~~
328.25 ~~either the institutionalized spouse or the community spouse had an ownership interest at~~
328.26 ~~the time of the first continuous period of institutionalization.~~

328.27 ~~(d) (c) "Assets otherwise available to the community spouse" means assets~~
328.28 ~~individually or jointly owned by the community spouse, other than assets excluded by~~
328.29 ~~subdivision 5, paragraph (c).~~

328.30 ~~(e) (d) "Community spouse asset allowance" is the value of assets that can be~~
328.31 ~~transferred under subdivision 3.~~

328.32 ~~(f) (e) "Institutionalized spouse" means a person who is:~~

328.33 ~~(1) in a hospital, nursing facility, or intermediate care facility for persons with~~
328.34 ~~developmental disabilities, or receiving home and community-based services under~~

329.1 section 256B.0915, and is expected to remain in the facility or institution or receive the
329.2 home and community-based services for at least 30 consecutive days; and

329.3 (2) married to a person who is not in a hospital, nursing facility, or intermediate
329.4 care facility for persons with developmental disabilities, and is not receiving home and
329.5 community-based services under section 256B.0915, 256B.092, or 256B.49.

329.6 ~~(g)~~ (f) "For the sole benefit of" means no other individual or entity can benefit in any
329.7 way from the assets or income at the time of a transfer or at any time in the future.

329.8 ~~(h)~~ (g) "Continuous period of institutionalization" means a 30-consecutive-day
329.9 period of time in which a person is expected to stay in a medical or long-term care facility,
329.10 or receive home and community-based services that would qualify for coverage under
329.11 the elderly waiver (EW) or alternative care (AC) programs. For a stay in a facility, the
329.12 30-consecutive-day period begins on the date of entry into a medical or long-term care
329.13 facility. For receipt of home and community-based services, the 30-consecutive-day
329.14 period begins on the date that the following conditions are met:

329.15 (1) the person is receiving services that meet the nursing facility level of care
329.16 determined by a long-term care consultation;

329.17 (2) the person has received the long-term care consultation within the past 60 days;

329.18 (3) the services are paid by the EW program under section 256B.0915 or the AC
329.19 program under section 256B.0913 or would qualify for payment under the EW or AC
329.20 programs if the person were otherwise eligible for either program, and but for the receipt
329.21 of such services the person would have resided in a nursing facility; and

329.22 (4) the services are provided by a licensed provider qualified to provide home and
329.23 community-based services.

329.24 **EFFECTIVE DATE.** This section is effective June 1, 2016.

329.25 Sec. 5. Minnesota Statutes 2014, section 256B.059, subdivision 2, is amended to read:

329.26 Subd. 2. **Assessment of spousal-share marital assets.** ~~At the beginning of the~~
329.27 ~~first continuous period of institutionalization of a person beginning on or after October~~
329.28 ~~1, 1989, at the request of either the institutionalized spouse or the community spouse, or~~
329.29 ~~Upon application for medical assistance benefits for an institutionalized spouse, the total~~
329.30 ~~value of assets in which either the institutionalized spouse or the community spouse had~~
329.31 ~~has an interest at the time of the first period of institutionalization of 30 days or more shall~~
329.32 ~~be assessed and documented and the spousal share shall be assessed and documented the~~
329.33 ~~community spouse asset allowance shall be calculated as required in subdivision 3.~~

329.34 **EFFECTIVE DATE.** This section is effective June 1, 2016.

330.1 Sec. 6. Minnesota Statutes 2014, section 256B.059, subdivision 3, is amended to read:

330.2 Subd. 3. **Community spouse asset allowance.** An institutionalized spouse may
330.3 transfer assets to the community spouse for the sole benefit of the community spouse.
330.4 Except for increased amounts allowable under subdivision 4, the maximum amount of
330.5 assets allowed to be transferred is the amount which, when added to the assets otherwise
330.6 available to the community spouse, is as follows the greater of:

330.7 ~~(1) prior to July 1, 1994, the greater of:~~

330.8 ~~(i) \$14,148;~~

330.9 ~~(ii) the lesser of the spousal share or \$70,740; or~~

330.10 ~~(iii) the amount required by court order to be paid to the community spouse; and~~

330.11 ~~(2) for persons whose date of initial determination of eligibility for medical
330.12 assistance following their first continuous period of institutionalization occurs on or after
330.13 July 1, 1994, the greater of:~~

330.14 ~~(i) \$20,000;~~

330.15 ~~(ii) the lesser of the spousal share or \$70,740; or~~

330.16 ~~(iii) the amount required by court order to be paid to the community spouse.~~

330.17 (1) \$119,220 subject to an annual adjustment on January 1, 2017, and every January
330.18 1 thereafter, equal to the percentage increase in the Consumer Price Index for All Urban
330.19 Consumers (all items; United States city average) between the two previous Septembers; or

330.20 (2) the amount required by court order to be paid to the community spouse.

330.21 If the assets available to the community spouse are already at the limit permissible
330.22 under this section, or the higher limit attributable to increases under subdivision 4, no assets
330.23 may be transferred from the institutionalized spouse to the community spouse. The transfer
330.24 must be made as soon as practicable after the date the institutionalized spouse is determined
330.25 eligible for medical assistance, or within the amount of time needed for any court order
330.26 required for the transfer. ~~On January 1, 1994, and every January 1 thereafter, the limits in
330.27 this subdivision shall be adjusted by the same percentage change in the Consumer Price
330.28 Index for All Urban Consumers (all items; United States city average) between the two
330.29 previous Septembers. These adjustments shall also be applied to the limits in subdivision 5.~~

330.30 **EFFECTIVE DATE.** This section is effective June 1, 2016.

330.31 Sec. 7. Minnesota Statutes 2015 Supplement, section 256B.059, subdivision 5, is
330.32 amended to read:

330.33 Subd. 5. **Asset availability.** (a) At the time of initial determination of eligibility for
330.34 medical assistance benefits ~~following the first continuous period of institutionalization
330.35 on or after October 1, 1989~~ for an institutionalized spouse, assets considered available

331.1 to the institutionalized spouse shall be the total value of all assets in which either spouse
331.2 has an ownership interest, reduced by the following amount for the community spouse:
331.3 available to the community spouse under subdivision 3.

331.4 ~~(1) prior to July 1, 1994, the greater of:~~

331.5 ~~(i) \$14,148;~~

331.6 ~~(ii) the lesser of the spousal share or \$70,740; or~~

331.7 ~~(iii) the amount required by court order to be paid to the community spouse;~~

331.8 ~~(2) for persons whose date of initial determination of eligibility for medical~~
331.9 ~~assistance following their first continuous period of institutionalization occurs on or after~~
331.10 ~~July 1, 1994, the greater of:~~

331.11 ~~(i) \$20,000;~~

331.12 ~~(ii) the lesser of the spousal share or \$70,740; or~~

331.13 ~~(iii) the amount required by court order to be paid to the community spouse.~~

331.14 The value of assets transferred for the sole benefit of the community spouse under section
331.15 256B.0595, subdivision 4, in combination with other assets available to the community
331.16 spouse under this section, cannot exceed the limit for the community spouse asset
331.17 allowance determined under subdivision 3 or 4. Assets that exceed this allowance shall
331.18 be considered available to the institutionalized spouse. If the community spouse asset
331.19 allowance has been increased under subdivision 4, then the assets considered available to
331.20 the institutionalized spouse under this subdivision shall be further reduced by the value of
331.21 additional amounts allowed under subdivision 4.

331.22 (b) An institutionalized spouse may be found eligible for medical assistance even
331.23 though assets in excess of the allowable amount are found to be available under paragraph
331.24 (a) if the assets are owned jointly or individually by the community spouse, and the
331.25 institutionalized spouse cannot use those assets to pay for the cost of care without the
331.26 consent of the community spouse, and if:

331.27 (i) the institutionalized spouse assigns to the commissioner the right to support from
331.28 the community spouse under section 256B.14, subdivision 3;

331.29 (ii) the institutionalized spouse lacks the ability to execute an assignment due to a
331.30 physical or mental impairment; ~~or~~

331.31 (iii) the denial of eligibility would cause an imminent threat to the institutionalized
331.32 spouse's health and well-being; or

331.33 (iv) the assets in excess of the amount under paragraph (a) are assets owned by the
331.34 community spouse, and the denial of eligibility would cause an undue hardship to the
331.35 family due to the loss of retirement funds for the community spouse or funds protected for
331.36 the postsecondary education of a child under 25 years of age. For purposes of this clause,

332.1 only retirement assets held by the community spouse in a tax-deferred retirement account,
332.2 including a defined benefit plan, defined contribution plan, an employer-sponsored
332.3 individual retirement arrangement, or individually purchased individual retirement
332.4 arrangement are protected, and are only protected until the community spouse is eligible to
332.5 withdraw retirement funds from any or all accounts without penalty. For purposes of this
332.6 clause, only funds in a plan designated under section 529 of the Internal Revenue Code
332.7 on behalf of a child of either or both spouses who is under 25 years of age are protected.
332.8 There shall not be an assignment of spousal support to the commissioner or a cause of
332.9 action against the individual's spouse under section 256B.14, subdivision 3, for the funds
332.10 in the protected retirement and college savings accounts.

332.11 (c) After the month in which the institutionalized spouse is determined eligible for
332.12 medical assistance, and during the continuous period of institutionalization enrollment, no
332.13 assets of the community spouse are considered available to the institutionalized spouse,
332.14 unless the institutionalized spouse has been found eligible under paragraph (b).

332.15 (d) Assets determined to be available to the institutionalized spouse under this
332.16 section must be used for the health care or personal needs of the institutionalized spouse.

332.17 (e) For purposes of this section, assets do not include assets excluded under the
332.18 Supplemental Security Income program.

332.19 **EFFECTIVE DATE.** This section is effective June 1, 2016. The commissioner
332.20 shall cease implementation of the amendment to paragraph (b), clause (iv), if the federal
332.21 government denies the state plan amendment. The commissioner shall inform the revisor
332.22 of statutes once federal approval is obtained or denied.

332.23 Sec. 8. Minnesota Statutes 2014, section 256B.059, is amended by adding a
332.24 subdivision to read:

332.25 **Subd. 6. Temporary application.** (a) During the period in which rules against
332.26 spousal impoverishment are temporarily applied according to section 2404 of the Patient
332.27 Protection Affordable Care Act, Public Law 111-148, as amended by the Health Care and
332.28 Education Reconciliation Act of 2010, Public Law 111-152, this section applies to an
332.29 institutionalized spouse:

332.30 (1) applying for home and community-based waivers under sections 256B.092,
332.31 256B.093, and 256B.49 on or after June 1, 2016;

332.32 (2) enrolled in home and community-based waivers under sections 256B.092,
332.33 256B.093, and 256B.49 before June 1, 2016; or

332.34 (3) applying for services under section 256B.85 upon the effective date of that section.

333.1 (b) During the applicable period of paragraph (a), the definition of "institutionalized
333.2 spouse" in subdivision 1, paragraph (f), also includes an institutionalized spouse
333.3 referenced in paragraph (a).

333.4 **EFFECTIVE DATE.** (a) Minnesota Statutes, section 256B.059, subdivision 6,
333.5 paragraphs (a), clauses (1) and (3), and (b), are effective June 1, 2016. Minnesota Statutes,
333.6 section 256B.059, subdivision 6, paragraph (a), clause (2), is effective March 1, 2017.

333.7 (b) Minnesota Statutes, section 256B.059, subdivision 6, paragraph (a), clauses (1)
333.8 and (2), expire upon notification to the commissioner of human services that the Center for
333.9 Medicare and Medicaid Services approved the continuation of the deeming rules in effect
333.10 on May 31, 2016, for the treatment of the assets of a community spouse. The commissioner
333.11 of human services shall notify the revisor of statutes when notice is received.

333.12 Sec. 9. Minnesota Statutes 2014, section 256B.06, subdivision 4, is amended to read:

333.13 Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited
333.14 to citizens of the United States, qualified noncitizens as defined in this subdivision, and
333.15 other persons residing lawfully in the United States. Citizens or nationals of the United
333.16 States must cooperate in obtaining satisfactory documentary evidence of citizenship or
333.17 nationality according to the requirements of the federal Deficit Reduction Act of 2005,
333.18 Public Law 109-171.

333.19 (b) "Qualified noncitizen" means a person who meets one of the following
333.20 immigration criteria:

333.21 (1) admitted for lawful permanent residence according to United States Code, title 8;

333.22 (2) admitted to the United States as a refugee according to United States Code,
333.23 title 8, section 1157;

333.24 (3) granted asylum according to United States Code, title 8, section 1158;

333.25 (4) granted withholding of deportation according to United States Code, title 8,
333.26 section 1253(h);

333.27 (5) paroled for a period of at least one year according to United States Code, title 8,
333.28 section 1182(d)(5);

333.29 (6) granted conditional entrant status according to United States Code, title 8,
333.30 section 1153(a)(7);

333.31 (7) determined to be a battered noncitizen by the United States Attorney General
333.32 according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996,
333.33 title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

333.34 (8) is a child of a noncitizen determined to be a battered noncitizen by the United
333.35 States Attorney General according to the Illegal Immigration Reform and Immigrant

334.1 Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill,
334.2 Public Law 104-200; or

334.3 (9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public
334.4 Law 96-422, the Refugee Education Assistance Act of 1980.

334.5 (c) All qualified noncitizens who were residing in the United States before August
334.6 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for
334.7 medical assistance with federal financial participation.

334.8 (d) Beginning December 1, 1996, qualified noncitizens who entered the United
334.9 States on or after August 22, 1996, and who otherwise meet the eligibility requirements
334.10 of this chapter are eligible for medical assistance with federal participation for five years
334.11 if they meet one of the following criteria:

334.12 (1) refugees admitted to the United States according to United States Code, title 8,
334.13 section 1157;

334.14 (2) persons granted asylum according to United States Code, title 8, section 1158;

334.15 (3) persons granted withholding of deportation according to United States Code,
334.16 title 8, section 1253(h);

334.17 (4) veterans of the United States armed forces with an honorable discharge for
334.18 a reason other than noncitizen status, their spouses and unmarried minor dependent
334.19 children; or

334.20 (5) persons on active duty in the United States armed forces, other than for training,
334.21 their spouses and unmarried minor dependent children.

334.22 Beginning July 1, 2010, children and pregnant women who are noncitizens
334.23 described in paragraph (b) or who are lawfully present in the United States as defined
334.24 in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet
334.25 eligibility requirements of this chapter, are eligible for medical assistance with federal
334.26 financial participation as provided by the federal Children's Health Insurance Program
334.27 Reauthorization Act of 2009, Public Law 111-3.

334.28 (e) Nonimmigrants who otherwise meet the eligibility requirements of this chapter
334.29 are eligible for the benefits as provided in paragraphs (f) to (h). For purposes of this
334.30 subdivision, a "nonimmigrant" is a person in one of the classes listed in United States
334.31 Code, title 8, section 1101(a)(15).

334.32 (f) Payment shall also be made for care and services that are furnished to noncitizens,
334.33 regardless of immigration status, who otherwise meet the eligibility requirements of
334.34 this chapter, if such care and services are necessary for the treatment of an emergency
334.35 medical condition.

335.1 (g) For purposes of this subdivision, the term "emergency medical condition" means
335.2 a medical condition that meets the requirements of United States Code, title 42, section
335.3 1396b(v).

335.4 (h)(1) Notwithstanding paragraph (g), services that are necessary for the treatment
335.5 of an emergency medical condition are limited to the following:

335.6 (i) services delivered in an emergency room or by an ambulance service licensed
335.7 under chapter 144E that are directly related to the treatment of an emergency medical
335.8 condition;

335.9 (ii) services delivered in an inpatient hospital setting following admission from an
335.10 emergency room or clinic for an acute emergency condition; and

335.11 (iii) follow-up services that are directly related to the original service provided
335.12 to treat the emergency medical condition and are covered by the global payment made
335.13 to the provider.

335.14 (2) Services for the treatment of emergency medical conditions do not include:

335.15 (i) services delivered in an emergency room or inpatient setting to treat a
335.16 nonemergency condition;

335.17 (ii) organ transplants, stem cell transplants, and related care;

335.18 (iii) services for routine prenatal care;

335.19 (iv) continuing care, including long-term care, nursing facility services, home health
335.20 care, adult day care, day training, or supportive living services;

335.21 (v) elective surgery;

335.22 (vi) outpatient prescription drugs, unless the drugs are administered or dispensed as
335.23 part of an emergency room visit;

335.24 (vii) preventative health care and family planning services;

335.25 (viii) rehabilitation services;

335.26 (ix) physical, occupational, or speech therapy;

335.27 (x) transportation services;

335.28 (xi) case management;

335.29 (xii) prosthetics, orthotics, durable medical equipment, or medical supplies;

335.30 (xiii) dental services;

335.31 (xiv) hospice care;

335.32 (xv) audiology services and hearing aids;

335.33 (xvi) podiatry services;

335.34 (xvii) chiropractic services;

335.35 (xviii) immunizations;

335.36 (xix) vision services and eyeglasses;

- 336.1 (xx) waiver services;
- 336.2 (xxi) individualized education programs; or
- 336.3 (xxii) chemical dependency treatment.

336.4 (i) Pregnant noncitizens who are ineligible for federally funded medical assistance
336.5 because of immigration status, are not covered by a group health plan or health insurance
336.6 coverage according to Code of Federal Regulations, title 42, section 457.310, and who
336.7 otherwise meet the eligibility requirements of this chapter, are eligible for medical
336.8 assistance through the period of pregnancy, including labor and delivery, and 60 days
336.9 postpartum, to the extent federal funds are available under title XXI of the Social Security
336.10 Act, and the state children's health insurance program.

336.11 (j) Beginning October 1, 2003, persons who are receiving care and rehabilitation
336.12 services from a nonprofit center established to serve victims of torture and are otherwise
336.13 ineligible for medical assistance under this chapter are eligible for medical assistance
336.14 without federal financial participation. These individuals are eligible only for the period
336.15 during which they are receiving services from the center. Individuals eligible under this
336.16 paragraph shall not be required to participate in prepaid medical assistance. The nonprofit
336.17 center referenced under this paragraph may establish itself as a provider of mental health
336.18 targeted case management services through a county contract under section 256.0112,
336.19 subdivision 6. If the nonprofit center is unable to secure a contract with a lead county in its
336.20 service area, then, notwithstanding the requirements of section 256B.0625, subdivision
336.21 20, the commissioner may negotiate a contract with the nonprofit center for provision of
336.22 mental health targeted case management services. When serving clients who are not the
336.23 financial responsibility of their contracted lead county, the nonprofit center must gain the
336.24 concurrence of the county of financial responsibility prior to providing mental health
336.25 targeted case management services for those clients.

336.26 (k) Notwithstanding paragraph (h), clause (2), the following services are covered as
336.27 emergency medical conditions under paragraph (f) except where coverage is prohibited
336.28 under federal law for services under clauses (1) and (2):

- 336.29 (1) dialysis services provided in a hospital or freestanding dialysis facility; ~~and~~
- 336.30 (2) surgery and the administration of chemotherapy, radiation, and related services
336.31 necessary to treat cancer if the recipient has a cancer diagnosis that is not in remission and
336.32 requires surgery, chemotherapy, or radiation treatment; and
- 336.33 (3) kidney transplant if the person has been diagnosed with end stage renal disease,
336.34 is currently receiving dialysis services, and is a potential candidate for a kidney transplant.

336.35 (l) Effective July 1, 2013, recipients of emergency medical assistance under this
336.36 subdivision are eligible for coverage of the elderly waiver services provided under section

337.1 256B.0915, and coverage of rehabilitative services provided in a nursing facility. The
337.2 age limit for elderly waiver services does not apply. In order to qualify for coverage, a
337.3 recipient of emergency medical assistance is subject to the assessment and reassessment
337.4 requirements of section 256B.0911. Initial and continued enrollment under this paragraph
337.5 is subject to the limits of available funding.

337.6 Sec. 10. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 17a,
337.7 is amended to read:

337.8 Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers
337.9 ambulance services. Providers shall bill ambulance services according to Medicare
337.10 criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective
337.11 for services rendered on or after July 1, 2001, medical assistance payments for ambulance
337.12 services shall be paid at the Medicare reimbursement rate or at the medical assistance
337.13 payment rate in effect on July 1, 2000, whichever is greater.

337.14 (b) Effective for services provided on or after July 1, 2016, medical assistance
337.15 payment rates for ambulance services identified in this paragraph are increased by five
337.16 percent. Capitation payments made to managed care plans and county-based purchasing
337.17 plans for ambulance services provided on or after January 1, 2017, shall be increased
337.18 to reflect this rate increase. The increased rate described in this paragraph applies to
337.19 ambulance service providers whose base of operations as defined in section 144E.10
337.20 is located:

337.21 (1) outside the metropolitan counties listed in section 473.121, subdivision 4, and
337.22 outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

337.23 (2) within a municipality with a population of less than 1,000.

337.24 Sec. 11. Minnesota Statutes 2014, section 256B.0625, subdivision 30, is amended to
337.25 read:

337.26 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic
337.27 services, federally qualified health center services, nonprofit community health clinic
337.28 services, and public health clinic services. Rural health clinic services and federally
337.29 qualified health center services mean services defined in United States Code, title 42,
337.30 section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified
337.31 health center services shall be made according to applicable federal law and regulation.

337.32 (b) A federally qualified health center that is beginning initial operation shall submit
337.33 an estimate of budgeted costs and visits for the initial reporting period in the form and
337.34 detail required by the commissioner. A federally qualified health center that is already in

338.1 operation shall submit an initial report using actual costs and visits for the initial reporting
338.2 period. Within 90 days of the end of its reporting period, a federally qualified health
338.3 center shall submit, in the form and detail required by the commissioner, a report of
338.4 its operations, including allowable costs actually incurred for the period and the actual
338.5 number of visits for services furnished during the period, and other information required
338.6 by the commissioner. Federally qualified health centers that file Medicare cost reports
338.7 shall provide the commissioner with a copy of the most recent Medicare cost report filed
338.8 with the Medicare program intermediary for the reporting year which support the costs
338.9 claimed on their cost report to the state.

338.10 (c) In order to continue cost-based payment under the medical assistance program
338.11 according to paragraphs (a) and (b), a federally qualified health center or rural health clinic
338.12 must apply for designation as an essential community provider within six months of final
338.13 adoption of rules by the Department of Health according to section 62Q.19, subdivision
338.14 7. For those federally qualified health centers and rural health clinics that have applied
338.15 for essential community provider status within the six-month time prescribed, medical
338.16 assistance payments will continue to be made according to paragraphs (a) and (b) for the
338.17 first three years after application. For federally qualified health centers and rural health
338.18 clinics that either do not apply within the time specified above or who have had essential
338.19 community provider status for three years, medical assistance payments for health services
338.20 provided by these entities shall be according to the same rates and conditions applicable
338.21 to the same service provided by health care providers that are not federally qualified
338.22 health centers or rural health clinics.

338.23 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally
338.24 qualified health center or a rural health clinic to make application for an essential
338.25 community provider designation in order to have cost-based payments made according
338.26 to paragraphs (a) and (b) no longer apply.

338.27 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b)
338.28 shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

338.29 (f) Effective January 1, 2001, each federally qualified health center and rural health
338.30 clinic may elect to be paid either under the prospective payment system established
338.31 in United States Code, title 42, section 1396a(aa), or under an alternative payment
338.32 methodology consistent with the requirements of United States Code, title 42, section
338.33 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The
338.34 alternative payment methodology shall be 100 percent of cost as determined according to
338.35 Medicare cost principles.

338.36 (g) For purposes of this section, "nonprofit community clinic" is a clinic that:

- 339.1 (1) has nonprofit status as specified in chapter 317A;
- 339.2 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);
- 339.3 (3) is established to provide health services to low-income population groups,
- 339.4 uninsured, high-risk and special needs populations, underserved and other special needs
- 339.5 populations;
- 339.6 (4) employs professional staff at least one-half of which are familiar with the
- 339.7 cultural background of their clients;
- 339.8 (5) charges for services on a sliding fee scale designed to provide assistance to
- 339.9 low-income clients based on current poverty income guidelines and family size; and
- 339.10 (6) does not restrict access or services because of a client's financial limitations or
- 339.11 public assistance status and provides no-cost care as needed.
- 339.12 (h) Effective for services provided on or after January 1, 2015, all claims for
- 339.13 payment of clinic services provided by federally qualified health centers and rural health
- 339.14 clinics shall be paid by the commissioner. The commissioner shall determine the most
- 339.15 feasible method for paying claims from the following options:
- 339.16 (1) federally qualified health centers and rural health clinics submit claims directly
- 339.17 to the commissioner for payment, and the commissioner provides claims information for
- 339.18 recipients enrolled in a managed care or county-based purchasing plan to the plan, on
- 339.19 a regular basis; or
- 339.20 (2) federally qualified health centers and rural health clinics submit claims for
- 339.21 recipients enrolled in a managed care or county-based purchasing plan to the plan, and
- 339.22 those claims are submitted by the plan to the commissioner for payment to the clinic.
- 339.23 (i) For clinic services provided prior to January 1, 2015, the commissioner shall
- 339.24 calculate and pay monthly the proposed managed care supplemental payments to clinics,
- 339.25 and clinics shall conduct a timely review of the payment calculation data in order to
- 339.26 finalize all supplemental payments in accordance with federal law. Any issues arising
- 339.27 from a clinic's review must be reported to the commissioner by January 1, 2017. Upon
- 339.28 final agreement between the commissioner and a clinic on issues identified under this
- 339.29 subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no
- 339.30 supplemental payments for managed care plan or county-based purchasing plan claims
- 339.31 for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the
- 339.32 commissioner and clinics are unable to resolve issues under this subdivision, the parties
- 339.33 shall submit the dispute to the arbitration process under section 14.57.
- 339.34 (j) The commissioner shall seek a federal waiver, authorized under section 1115
- 339.35 of the Social Security Act, to obtain federal financial participation at the 100 percent
- 339.36 federal matching percentage available to facilities of the Indian Health Service or

340.1 tribal organization in accordance with section 1905(b) of the Social Security Act for
340.2 expenditures made to organizations dually certified under Title V of the Indian Health Care
340.3 Improvement Act, Public Law 94-437, and as a federally qualified health center under
340.4 paragraph (a) that provides services to American Indian and Alaskan Native individuals
340.5 eligible for services under this subdivision.

340.6 Sec. 12. Minnesota Statutes 2014, section 256B.0625, subdivision 34, is amended to
340.7 read:

340.8 Subd. 34. **Indian health services facilities.** (a) Medical assistance payments and
340.9 MinnesotaCare payments to facilities of the Indian health service and facilities operated
340.10 by a tribe or tribal organization under funding authorized by United States Code, title
340.11 25, sections 450f to 450n, or title III of the Indian Self-Determination and Education
340.12 Assistance Act, Public Law 93-638, for enrollees who are eligible for federal financial
340.13 participation, shall be at the option of the facility in accordance with the rate published by
340.14 the United States Assistant Secretary for Health under the authority of United States Code,
340.15 title 42, sections 248(a) and 249(b). ~~General assistance medical care payments to facilities~~
340.16 ~~of the Indian health services and facilities operated by a tribe or tribal organization for~~
340.17 ~~the provision of outpatient medical care services billed after June 30, 1990, must be in~~
340.18 ~~accordance with the general assistance medical care rates paid for the same services~~
340.19 ~~when provided in a facility other than a facility of the Indian health service or a facility~~
340.20 ~~operated by a tribe or tribal organization.~~ MinnesotaCare payments for enrollees who are
340.21 not eligible for federal financial participation at facilities of the Indian health service and
340.22 facilities operated by a tribe or tribal organization for the provision of outpatient medical
340.23 services must be in accordance with the medical assistance rates paid for the same services
340.24 when provided in a facility other than a facility of the Indian health service or a facility
340.25 operated by a tribe or tribal organization.

340.26 (b) Effective upon federal approval, the medical assistance payments to a dually
340.27 certified facility as defined in subdivision 30, paragraph (j), shall be the encounter rate
340.28 described in paragraph (a) or a rate that is substantially equivalent for services provided
340.29 to American Indians and Alaskan Native populations. The rate established under this
340.30 paragraph for dually certified facilities shall not apply to MinnesotaCare payments.

340.31 Sec. 13. Minnesota Statutes 2014, section 256B.0625, is amended by adding a
340.32 subdivision to read:

340.33 Subd. 60a. **Community emergency medical technician services.** (a) Medical
340.34 assistance covers services provided by a community emergency medical technician

341.1 (CEMT) who is certified under section 144E.275, subdivision 7, when the services are
341.2 provided in accordance with this subdivision.

341.3 (b) A CEMT may provide a posthospital discharge visit when ordered by a treating
341.4 physician. The posthospital discharge visit includes:

341.5 (1) verbal or visual reminders of discharge orders;

341.6 (2) recording and reporting of vital signs to the patient's primary care provider;

341.7 (3) medication access confirmation;

341.8 (4) food access confirmation; and

341.9 (5) identification of home hazards.

341.10 (c) An individual who has repeat ambulance calls due to falls, has been discharged
341.11 from a nursing home, or has been identified by the individual's primary care provider as
341.12 at risk for nursing home placement, may receive a safety evaluation visit from a CEMT
341.13 when ordered by a primary care provider in accordance with the individual's care plan. A
341.14 safety evaluation visit includes:

341.15 (1) medication access confirmation;

341.16 (2) food access confirmation; and

341.17 (3) identification of home hazards.

341.18 (d) A CEMT shall be paid at \$9.75 per 15-minute increment. A safety evaluation visit
341.19 may not be billed for the same day as a posthospital discharge visit for the same individual.

341.20 **EFFECTIVE DATE.** This section is effective January 1, 2017, or upon federal
341.21 approval, whichever is later. The commissioner of human services shall notify the revisor
341.22 of statutes when federal approval is obtained.

341.23 Sec. 14. Minnesota Statutes 2014, section 256B.15, subdivision 1, is amended to read:

341.24 Subdivision 1. **Policy and applicability.** (a) It is the policy of this state that
341.25 individuals or couples, either or both of whom participate in the medical assistance
341.26 program, use their own assets to pay their share of the total cost of their care during or
341.27 after their enrollment in the program according to applicable federal law and the laws of
341.28 this state. The following provisions apply:

341.29 (1) subdivisions 1c to 1k shall not apply to claims arising under this section which
341.30 are presented under section 525.313;

341.31 (2) the provisions of subdivisions 1c to 1k expanding the interests included in an
341.32 estate for purposes of recovery under this section give effect to the provisions of United
341.33 States Code, title 42, section 1396p, governing recoveries, but do not give rise to any
341.34 express or implied liens in favor of any other parties not named in these provisions;

342.1 (3) the continuation of a recipient's life estate or joint tenancy interest in real
342.2 property after the recipient's death for the purpose of recovering medical assistance under
342.3 this section modifies common law principles holding that these interests terminate on
342.4 the death of the holder;

342.5 (4) all laws, rules, and regulations governing or involved with a recovery of medical
342.6 assistance shall be liberally construed to accomplish their intended purposes;

342.7 (5) a deceased recipient's life estate and joint tenancy interests continued under
342.8 this section shall be owned by the remainderpersons or surviving joint tenants as their
342.9 interests may appear on the date of the recipient's death. They shall not be merged into the
342.10 remainder interest or the interests of the surviving joint tenants by reason of ownership.
342.11 They shall be subject to the provisions of this section. Any conveyance, transfer, sale,
342.12 assignment, or encumbrance by a remainderperson, a surviving joint tenant, or their heirs,
342.13 successors, and assigns shall be deemed to include all of their interest in the deceased
342.14 recipient's life estate or joint tenancy interest continued under this section; and

342.15 (6) the provisions of subdivisions 1c to 1k continuing a recipient's joint tenancy
342.16 interests in real property after the recipient's death do not apply to a homestead owned of
342.17 record, on the date the recipient dies, by the recipient and the recipient's spouse as joint
342.18 tenants with a right of survivorship. Homestead means the real property occupied by the
342.19 surviving joint tenant spouse as their sole residence on the date the recipient dies and
342.20 classified and taxed to the recipient and surviving joint tenant spouse as homestead property
342.21 for property tax purposes in the calendar year in which the recipient dies. For purposes of
342.22 this exemption, real property the recipient and their surviving joint tenant spouse purchase
342.23 solely with the proceeds from the sale of their prior homestead, own of record as joint
342.24 tenants, and qualify as homestead property under section 273.124 in the calendar year
342.25 in which the recipient dies and prior to the recipient's death shall be deemed to be real
342.26 property classified and taxed to the recipient and their surviving joint tenant spouse as
342.27 homestead property in the calendar year in which the recipient dies. The surviving spouse,
342.28 or any person with personal knowledge of the facts, may provide an affidavit describing
342.29 the homestead property affected by this clause and stating facts showing compliance with
342.30 this clause. The affidavit shall be prima facie evidence of the facts it states.

342.31 (b) For purposes of this section, "medical assistance" includes the medical assistance
342.32 program under this chapter and the general assistance medical care program under chapter
342.33 256D and alternative care for nonmedical assistance recipients under section 256B.0913.

342.34 (c) For purposes of this section, beginning January 1, 2010, "medical assistance"
342.35 does not include Medicare cost-sharing benefits in accordance with United States Code,
342.36 title 42, section 1396p.

343.1 (d) All provisions in this subdivision, and subdivisions 1d, 1f, 1g, 1h, 1i, and 1j,
343.2 related to the continuation of a recipient's life estate or joint tenancy interests in real
343.3 property after the recipient's death for the purpose of recovering medical assistance, are
343.4 effective only for life estates and joint tenancy interests established on or after August 1,
343.5 2003. For purposes of this paragraph, medical assistance does not include alternative care.

343.6 Sec. 15. Minnesota Statutes 2014, section 256B.15, subdivision 1a, is amended to read:

343.7 Subd. 1a. **Estates subject to claims.** (a) If a person receives ~~any~~ medical assistance
343.8 hereunder, on the person's death, if single, or on the death of the survivor of a married
343.9 couple, either or both of whom received medical assistance, or as otherwise provided for
343.10 in this section, the ~~total~~ amount paid for medical assistance ~~rendered~~ as limited under
343.11 subdivision 2 for the person and spouse shall be filed as a claim against the estate of the
343.12 person or the estate of the surviving spouse in the court having jurisdiction to probate the
343.13 estate or to issue a decree of descent according to sections 525.31 to 525.313.

343.14 (b) For the purposes of this section, the person's estate must consist of:

343.15 (1) the person's probate estate;

343.16 (2) all of the person's interests or proceeds of those interests in real property the
343.17 person owned as a life tenant or as a joint tenant with a right of survivorship at the time of
343.18 the person's death;

343.19 (3) all of the person's interests or proceeds of those interests in securities the person
343.20 owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time
343.21 of the person's death, to the extent the interests or proceeds of those interests become part
343.22 of the probate estate under section 524.6-307;

343.23 (4) all of the person's interests in joint accounts, multiple-party accounts, and
343.24 pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of
343.25 those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the
343.26 person's death to the extent the interests become part of the probate estate under section
343.27 524.6-207; and

343.28 (5) assets conveyed to a survivor, heir, or assign of the person through survivorship,
343.29 living trust, or other arrangements.

343.30 (c) For the purpose of this section and recovery in a surviving spouse's estate for
343.31 medical assistance paid for a predeceased spouse, the estate must consist of all of the legal
343.32 title and interests the deceased individual's predeceased spouse had in jointly owned or
343.33 marital property at the time of the spouse's death, as defined in subdivision 2b, and the
343.34 proceeds of those interests, that passed to the deceased individual or another individual, a
343.35 survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy

344.1 in common, survivorship, life estate, living trust, or other arrangement. A deceased
344.2 recipient who, at death, owned the property jointly with the surviving spouse shall have
344.3 an interest in the entire property.

344.4 (d) For the purpose of recovery in a single person's estate or the estate of a survivor
344.5 of a married couple, "other arrangement" includes any other means by which title to all or
344.6 any part of the jointly owned or marital property or interest passed from the predeceased
344.7 spouse to another including, but not limited to, transfers between spouses which are
344.8 permitted, prohibited, or penalized for purposes of medical assistance.

344.9 (e) A claim shall be filed if medical assistance was rendered for either or both
344.10 persons under one of the following circumstances:

344.11 (1) the person was over 55 years of age, and received services under this chapter
344.12 prior to January 1, 2014;

344.13 (2) the person resided in a medical institution for six months or longer, received
344.14 services under this chapter, and, at the time of institutionalization or application for
344.15 medical assistance, whichever is later, the person could not have reasonably been expected
344.16 to be discharged and returned home, as certified in writing by the person's treating
344.17 physician. For purposes of this section only, a "medical institution" means a skilled
344.18 nursing facility, intermediate care facility, intermediate care facility for persons with
344.19 developmental disabilities, nursing facility, or inpatient hospital; ~~or~~

344.20 (3) the person received general assistance medical care services under chapter
344.21 256D; ~~or~~

344.22 (4) the person was 55 years of age or older and received medical assistance
344.23 services on or after January 1, 2014, that consisted of nursing facility services, home and
344.24 community-based services, or related hospital and prescription drug benefits.

344.25 (f) The claim shall be considered an expense of the last illness of the decedent for
344.26 the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a
344.27 state or county agency with a claim under this section must be a creditor under section
344.28 524.6-307. Any statute of limitations that purports to limit any county agency or the state
344.29 agency, or both, to recover for medical assistance granted hereunder shall not apply to any
344.30 claim made hereunder for reimbursement for any medical assistance granted hereunder.
344.31 Notice of the claim shall be given to all heirs and devisees of the decedent, and to other
344.32 persons with an ownership interest in the real property owned by the decedent at the time
344.33 of the decedent's death, whose identity can be ascertained with reasonable diligence. The
344.34 notice must include procedures and instructions for making an application for a hardship
344.35 waiver under subdivision 5; time frames for submitting an application and determination;
344.36 and information regarding appeal rights and procedures. Counties are entitled to one-half

345.1 of the nonfederal share of medical assistance collections from estates that are directly
345.2 attributable to county effort. Counties are entitled to ten percent of the collections for
345.3 alternative care directly attributable to county effort.

345.4 **EFFECTIVE DATE.** This section is effective upon federal approval and applies
345.5 retroactively to services rendered on or after January 1, 2014, and to claims not paid prior
345.6 to July 1, 2016. The commissioner of human services shall notify the revisor of statutes
345.7 when federal approval is obtained.

345.8 Sec. 16. Minnesota Statutes 2014, section 256B.15, subdivision 2, is amended to read:

345.9 Subd. 2. **Limitations on claims.** (a) For services rendered prior to January 1, 2014,
345.10 the claim shall include only the total amount of medical assistance rendered after age 55 or
345.11 during a period of institutionalization described in subdivision 1a, paragraph (e), and the
345.12 total amount of general assistance medical care rendered, and shall not include interest.

345.13 (b) For services rendered on or after January 1, 2014, the claim shall include only:

345.14 (1) the amount of medical assistance rendered to recipients 55 years of age or older
345.15 and that consisted of nursing facility services, home and community-based services, and
345.16 related hospital and prescription drug services; and

345.17 (2) the total amount of medical assistance rendered during a period of
345.18 institutionalization described in subdivision 1a, paragraph (e), clause (2).

345.19 The claim shall not include interest. For the purposes of this section, "home and
345.20 community-based services" has the same meaning it has when used in United States
345.21 Code, title 42, section 1396p(b)(1)(B)(i), and includes the alternative care program under
345.22 section 256B.0913.

345.23 (c) Claims that have been allowed but not paid shall bear interest according to
345.24 section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did
345.25 not receive medical assistance, for medical assistance rendered for the predeceased spouse,
345.26 shall be payable from the full value of all of the predeceased spouse's assets and interests
345.27 which are part of the surviving spouse's estate under subdivisions 1a and 2b. Recovery of
345.28 medical assistance expenses in the nonrecipient surviving spouse's estate is limited to the
345.29 value of the assets of the estate that were marital property or jointly owned property at any
345.30 time during the marriage. The claim is not payable from the value of assets or proceeds of
345.31 assets in the estate attributable to a predeceased spouse whom the individual married after
345.32 the death of the predeceased recipient spouse for whom the claim is filed or from assets
345.33 and the proceeds of assets in the estate which the nonrecipient decedent spouse acquired
345.34 with assets which were not marital property or jointly owned property after the death of
345.35 the predeceased recipient spouse. Claims for alternative care shall be net of all premiums

346.1 paid under section 256B.0913, subdivision 12, on or after July 1, 2003, and shall be
346.2 limited to services provided on or after July 1, 2003. Claims against marital property shall
346.3 be limited to claims against recipients who died on or after July 1, 2009.

346.4 **EFFECTIVE DATE.** This section is effective upon federal approval and applies
346.5 retroactively to services rendered on or after January 1, 2014, and to claims not paid prior
346.6 to July 1, 2016. The commissioner of human services shall notify the revisor of statutes
346.7 when federal approval is obtained.

346.8 Sec. 17. Minnesota Statutes 2015 Supplement, section 256B.76, subdivision 2, is
346.9 amended to read:

346.10 Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after
346.11 October 1, 1992, the commissioner shall make payments for dental services as follows:

346.12 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25
346.13 percent above the rate in effect on June 30, 1992; and

346.14 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th
346.15 percentile of 1989, less the percent in aggregate necessary to equal the above increases.

346.16 (b) Beginning October 1, 1999, the payment for tooth sealants and fluoride treatments
346.17 shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

346.18 (c) Effective for services rendered on or after January 1, 2000, payment rates for
346.19 dental services shall be increased by three percent over the rates in effect on December
346.20 31, 1999.

346.21 (d) Effective for services provided on or after January 1, 2002, payment for
346.22 diagnostic examinations and dental x-rays provided to children under age 21 shall be the
346.23 lower of (1) the submitted charge, or (2) 85 percent of median 1999 charges.

346.24 (e) The increases listed in paragraphs (b) and (c) shall be implemented January 1,
346.25 2000, for managed care.

346.26 (f) Effective for dental services rendered on or after October 1, 2010, by a
346.27 state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based
346.28 on the Medicare principles of reimbursement. This payment shall be effective for services
346.29 rendered on or after January 1, 2011, to recipients enrolled in managed care plans or
346.30 county-based purchasing plans.

346.31 (g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics
346.32 in paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal
346.33 year, a supplemental state payment equal to the difference between the total payments
346.34 in paragraph (f) and \$1,850,000 shall be paid from the general fund to state-operated
346.35 services for the operation of the dental clinics.

347.1 (h) If the cost-based payment system for state-operated dental clinics described in
347.2 paragraph (f) does not receive federal approval, then state-operated dental clinics shall be
347.3 designated as critical access dental providers under subdivision 4, paragraph (b), and shall
347.4 receive the critical access dental reimbursement rate as described under subdivision 4,
347.5 paragraph (a).

347.6 (i) Effective for services rendered on or after September 1, 2011, through June 30,
347.7 2013, payment rates for dental services shall be reduced by three percent. This reduction
347.8 does not apply to state-operated dental clinics in paragraph (f).

347.9 (j) Effective for services rendered on or after January 1, 2014, payment rates for
347.10 dental services shall be increased by five percent from the rates in effect on December
347.11 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f),
347.12 federally qualified health centers, rural health centers, and Indian health services. Effective
347.13 January 1, 2014, payments made to managed care plans and county-based purchasing
347.14 plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment increase
347.15 described in this paragraph.

347.16 (k) Effective for services rendered on or after July 1, 2015, through December
347.17 31, 2016, the commissioner shall increase payment rates for services furnished by
347.18 dental providers located outside of the seven-county metropolitan area by the maximum
347.19 percentage possible above the rates in effect on June 30, 2015, while remaining within
347.20 the limits of funding appropriated for this purpose. This increase does not apply to
347.21 state-operated dental clinics in paragraph (f), federally qualified health centers, rural health
347.22 centers, and Indian health services. Effective January 1, 2016, through December 31,
347.23 2016, payments to managed care plans and county-based purchasing plans under sections
347.24 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph. The
347.25 commissioner shall require managed care and county-based purchasing plans to pass on
347.26 the full amount of the increase, in the form of higher payment rates to dental providers
347.27 located outside of the seven-county metropolitan area.

347.28 (l) Effective for services provided on or after January 1, 2017, the commissioner
347.29 shall increase payment rates by 9.65 percent for dental services provided outside of
347.30 the seven-county metropolitan area. This increase does not apply to state-operated
347.31 dental clinics in paragraph (f), federally qualified health centers, rural health centers, or
347.32 Indian health services. Effective January 1, 2017, payments to managed care plans and
347.33 county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the
347.34 payment increase described in this paragraph.

348.1 Sec. 18. Minnesota Statutes 2015 Supplement, section 256B.76, subdivision 4, is
348.2 amended to read:

348.3 Subd. 4. **Critical access dental providers.** (a) ~~Effective for dental services rendered~~
348.4 ~~on or after January 1, 2002,~~ The commissioner shall increase reimbursements to dentists
348.5 and dental clinics deemed by the commissioner to be critical access dental providers. For
348.6 dental services rendered on or after July 1, ~~2007~~ 2016, the commissioner shall increase
348.7 reimbursement by ~~35~~ 37.5 percent above the reimbursement rate that would otherwise be
348.8 paid to the critical access dental provider, except as specified under paragraph (b). The
348.9 commissioner shall pay the managed care plans and county-based purchasing plans in
348.10 amounts sufficient to reflect increased reimbursements to critical access dental providers
348.11 as approved by the commissioner.

348.12 (b) For dental services rendered on or after July 1, 2016, by a dental clinic or dental
348.13 group that meets the critical access dental provider designation under paragraph (d),
348.14 clause (4), and is owned and operated by a health maintenance organization licensed under
348.15 chapter 62D, the commissioner shall increase reimbursement by 35 percent above the
348.16 reimbursement rate that would otherwise be paid to the critical access provider.

348.17 (c) Critical access dental payments made under paragraph (a) or (b) for dental
348.18 services provided by a critical access dental provider to an enrollee of a managed care plan
348.19 or county-based purchasing plan must not reflect any capitated payments or cost-based
348.20 payments from the managed care plan or county-based purchasing plan. The managed
348.21 care plan or county-based purchasing plan must base the additional critical access dental
348.22 payment on the amount that would have been paid for that service had the dental provider
348.23 been paid according to the managed care plan or county-based purchasing plan's fee
348.24 schedule that applies to dental providers that are not paid under a capitated payment
348.25 or cost-based payment.

348.26 (d) The commissioner shall designate the following dentists and dental clinics as
348.27 critical access dental providers:

348.28 (1) nonprofit community clinics that:

348.29 (i) have nonprofit status in accordance with chapter 317A;

348.30 (ii) have tax exempt status in accordance with the Internal Revenue Code, section
348.31 501(c)(3);

348.32 (iii) are established to provide oral health services to patients who are low income,
348.33 uninsured, have special needs, and are underserved;

348.34 (iv) have professional staff familiar with the cultural background of the clinic's
348.35 patients;

- 349.1 (v) charge for services on a sliding fee scale designed to provide assistance to
349.2 low-income patients based on current poverty income guidelines and family size;
- 349.3 (vi) do not restrict access or services because of a patient's financial limitations
349.4 or public assistance status; and
- 349.5 (vii) have free care available as needed;
- 349.6 (2) federally qualified health centers, rural health clinics, and public health clinics;
- 349.7 (3) city or county hospital-based dental clinics owned and operated ~~hospital-based~~
349.8 ~~dental clinics~~ by a city, county, or former state hospital as defined in section 62Q.19,
349.9 subdivision 1, paragraph (a), clause (4);
- 349.10 (4) a dental clinic or dental group owned and operated by a nonprofit corporation in
349.11 accordance with chapter 317A with more than 10,000 patient encounters per year with
349.12 patients who are uninsured or covered by medical assistance or MinnesotaCare;
- 349.13 (5) a dental clinic owned and operated by the University of Minnesota or the
349.14 Minnesota State Colleges and Universities system; and
- 349.15 (6) private practicing dentists if:
- 349.16 (i) ~~the dentist's office is located within a health professional shortage area as defined~~
349.17 ~~under Code of Federal Regulations, title 42, part 5, and United States Code, title 42,~~
349.18 ~~section 254E;~~
- 349.19 ~~(ii) more~~ the seven-county metropolitan area and more than 50 percent of the
349.20 dentist's patient encounters per year are with patients who are uninsured or covered by
349.21 medical assistance or MinnesotaCare; ~~and or~~
- 349.22 ~~(iii) the level of service provided by the dentist is critical to maintaining adequate~~
349.23 ~~levels of patient access within the service area in which the dentist operates.~~
- 349.24 (ii) the dentist's office is located outside the seven-county metropolitan area and
349.25 more than 25 percent of the dentist's patient encounters per year are with patients who are
349.26 uninsured or covered by medical assistance or MinnesotaCare.

349.27 Sec. 19. Minnesota Statutes 2015 Supplement, section 256B.766, is amended to read:

349.28 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

349.29 (a) Effective for services provided on or after July 1, 2009, total payments for basic
349.30 care services, shall be reduced by three percent, except that for the period July 1, 2009,
349.31 through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical
349.32 assistance and general assistance medical care programs, prior to third-party liability and
349.33 spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical
349.34 therapy services, occupational therapy services, and speech-language pathology and
349.35 related services as basic care services. The reduction in this paragraph shall apply to

350.1 physical therapy services, occupational therapy services, and speech-language pathology
350.2 and related services provided on or after July 1, 2010.

350.3 (b) Payments made to managed care plans and county-based purchasing plans shall
350.4 be reduced for services provided on or after October 1, 2009, to reflect the reduction
350.5 effective July 1, 2009, and payments made to the plans shall be reduced effective October
350.6 1, 2010, to reflect the reduction effective July 1, 2010.

350.7 (c) Effective for services provided on or after September 1, 2011, through June 30,
350.8 2013, total payments for outpatient hospital facility fees shall be reduced by five percent
350.9 from the rates in effect on August 31, 2011.

350.10 (d) Effective for services provided on or after September 1, 2011, through June
350.11 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies
350.12 and durable medical equipment not subject to a volume purchase contract, prosthetics
350.13 and orthotics, renal dialysis services, laboratory services, public health nursing services,
350.14 physical therapy services, occupational therapy services, speech therapy services,
350.15 eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume
350.16 purchase contract, and anesthesia services shall be reduced by three percent from the
350.17 rates in effect on August 31, 2011.

350.18 (e) Effective for services provided on or after September 1, 2014, payments
350.19 for ambulatory surgery centers facility fees, hospice services, renal dialysis services,
350.20 laboratory services, public health nursing services, eyeglasses not subject to a volume
350.21 purchase contract, and hearing aids not subject to a volume purchase contract shall be
350.22 increased by three percent and payments for outpatient hospital facility fees shall be
350.23 increased by three percent. Payments made to managed care plans and county-based
350.24 purchasing plans shall not be adjusted to reflect payments under this paragraph.

350.25 (f) Payments for medical supplies and durable medical equipment not subject to a
350.26 volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014,
350.27 through June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies
350.28 and durable medical equipment not subject to a volume purchase contract, and prosthetics
350.29 and orthotics, provided on or after July 1, 2015, shall be increased by three percent from
350.30 the rates as determined under ~~paragraph~~ paragraphs (i) and (j).

350.31 (g) Effective for services provided on or after July 1, 2015, payments for outpatient
350.32 hospital facility fees, medical supplies and durable medical equipment not subject to a
350.33 volume purchase contract, prosthetics and orthotics, and laboratory services to a hospital
350.34 meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4),
350.35 shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made

351.1 to managed care plans and county-based purchasing plans shall not be adjusted to reflect
351.2 payments under this paragraph.

351.3 (h) This section does not apply to physician and professional services, inpatient
351.4 hospital services, family planning services, mental health services, dental services,
351.5 prescription drugs, medical transportation, federally qualified health centers, rural health
351.6 centers, Indian health services, and Medicare cost-sharing.

351.7 (i) Effective for services provided on or after July 1, 2015, the medical assistance
351.8 payment rate for durable medical equipment, prosthetics, orthotics, or supplies shall
351.9 be restored to the January 1, 2008, medical assistance fee schedule, updated to include
351.10 subsequent rate increases in the Medicare and medical assistance fee schedules, and
351.11 including following categories of durable medical equipment shall be individually priced
351.12 items for the following categories: enteral nutrition and supplies, customized and other
351.13 specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical
351.14 equipment repair and service. This paragraph does not apply to medical supplies and
351.15 durable medical equipment subject to a volume purchase contract, products subject to the
351.16 preferred diabetic testing supply program, and items provided to dually eligible recipients
351.17 when Medicare is the primary payer for the item. The commissioner shall not apply any
351.18 medical assistance rate reductions to durable medical equipment as a result of Medicare
351.19 competitive bidding.

351.20 (j) Effective for services provided on or after July 1, 2015, medical assistance
351.21 payment rates for durable medical equipment, prosthetics, orthotics, or supplies shall
351.22 be increased as follows:

351.23 (1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies
351.24 that were subject to the Medicare competitive bid that took effect in January of 2009 shall
351.25 be increased by 9.5 percent; and

351.26 (2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies
351.27 on the medical assistance fee schedule, whether or not subject to the Medicare competitive
351.28 bid that took effect in January of 2009, shall be increased by 2.94 percent, with this
351.29 increase being applied after calculation of any increased payment rate under clause (1).

351.30 This paragraph does not apply to medical supplies and durable medical equipment subject
351.31 to a volume purchase contract, products subject to the preferred diabetic testing supply
351.32 program, items provided to dually eligible recipients when Medicare is the primary payer
351.33 for the item, and individually priced items identified in paragraph (i). Payments made to
351.34 managed care plans and county-based purchasing plans shall not be adjusted to reflect the
351.35 rate increases in this paragraph.

351.36 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

352.1 Sec. 20. Minnesota Statutes 2014, section 256L.01, subdivision 1a, is amended to read:

352.2 Subd. 1a. **Child.** "Child" means an individual under 21 years of age, ~~including the~~
352.3 ~~unborn child of a pregnant woman, an emancipated minor, and an emancipated minor's~~
352.4 ~~spouse.~~

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

352.6 Sec. 21. Minnesota Statutes 2015 Supplement, section 256L.01, subdivision 5, is
352.7 amended to read:

352.8 Subd. 5. **Income.** "Income" has the meaning given for modified adjusted gross
352.9 income, as defined in Code of Federal Regulations, title 26, section 1.36B-1, and means
352.10 a household's ~~projected annual income for the applicable tax year~~ current income, or if
352.11 income fluctuates month to month, the income for the 12-month eligibility period.

352.12 **EFFECTIVE DATE.** This section is effective July 1, 2017.

352.13 Sec. 22. Minnesota Statutes 2014, section 256L.04, subdivision 1a, is amended to read:

352.14 Subd. 1a. **Social Security number required.** (a) Individuals and families applying
352.15 for MinnesotaCare coverage must provide a Social Security number if required by Code
352.16 of Federal Regulations, title 45, section 155.310(a)(3).

352.17 ~~(b) The commissioner shall not deny eligibility to an otherwise eligible applicant~~
352.18 ~~who has applied for a Social Security number and is awaiting issuance of that Social~~
352.19 ~~Security number.~~

352.20 ~~(c) Newborns enrolled under section 256L.05, subdivision 3, are exempt from the~~
352.21 ~~requirements of this subdivision.~~

352.22 ~~(d) Individuals who refuse to provide a Social Security number because of~~
352.23 ~~well-established religious objections are exempt from the requirements of this subdivision.~~
352.24 ~~The term "well-established religious objections" has the meaning given in Code of Federal~~
352.25 ~~Regulations, title 42, section 435.910.~~

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

352.27 Sec. 23. Minnesota Statutes 2014, section 256L.04, subdivision 2, is amended to read:

352.28 Subd. 2. **Third-party liability, paternity, and other medical support.** (a) ~~To be~~
352.29 ~~eligible for MinnesotaCare,~~ Individuals and families ~~must~~ may cooperate with the state
352.30 agency to identify potentially liable third-party payers and assist the state in obtaining
352.31 third-party payments. "Cooperation" includes, but is not limited to, complying with
352.32 the notice requirements in section 256B.056, subdivision 9, identifying any third party

353.1 who may be liable for care and services provided under MinnesotaCare to the enrollee,
353.2 providing relevant information to assist the state in pursuing a potentially liable third
353.3 party, and completing forms necessary to recover third-party payments.

353.4 ~~(b) A parent, guardian, relative caretaker, or child enrolled in the MinnesotaCare~~
353.5 ~~program must cooperate with the Department of Human Services and the local agency in~~
353.6 ~~establishing the paternity of an enrolled child and in obtaining medical care support and~~
353.7 ~~payments for the child and any other person for whom the person can legally assign rights,~~
353.8 ~~in accordance with applicable laws and rules governing the medical assistance program. A~~
353.9 ~~child shall not be ineligible for or disenrolled from the MinnesotaCare program solely~~
353.10 ~~because the child's parent, relative caretaker, or guardian fails to cooperate in establishing~~
353.11 ~~paternity or obtaining medical support.~~

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

353.13 Sec. 24. Minnesota Statutes 2015 Supplement, section 256L.04, subdivision 7b,
353.14 is amended to read:

353.15 Subd. 7b. **Annual income limits adjustment.** The commissioner shall adjust the
353.16 income limits under this section annually ~~on January~~ each July 1 as provided described in
353.17 Code of Federal Regulations, title 26, section 1.36B-1(h) section 256B.056, subdivision 1c.

353.18 **EFFECTIVE DATE.** This section is effective July 1, 2017.

353.19 Sec. 25. Minnesota Statutes 2015 Supplement, section 256L.05, subdivision 3a,
353.20 is amended to read:

353.21 Subd. 3a. **Redetermination of eligibility.** (a) An enrollee's eligibility must be
353.22 redetermined on an annual basis, in accordance with Code of Federal Regulations, title
353.23 42, section 435.916(a). ~~The period of eligibility is the entire calendar year following the~~
353.24 ~~year in which eligibility is redetermined. Beginning in calendar year 2015, eligibility~~
353.25 ~~redeterminations shall occur during the open enrollment period for qualified health plans as~~
353.26 ~~specified in Code of Federal Regulations, title 45, section 155.410. The 12-month eligibility~~
353.27 period begins the month of application. Beginning July 1, 2017, the commissioner shall
353.28 adjust the eligibility period for enrollees to implement renewals throughout the year
353.29 according to guidance from the Centers for Medicare and Medicaid Services.

353.30 (b) Each new period of eligibility must take into account any changes in
353.31 circumstances that impact eligibility and premium amount. Coverage begins as provided
353.32 in section 256L.06.

353.33 **EFFECTIVE DATE.** This section is effective July 1, 2017.

354.1 Sec. 26. Minnesota Statutes 2015 Supplement, section 256L.06, subdivision 3, is
354.2 amended to read:

354.3 Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the
354.4 commissioner for MinnesotaCare.

354.5 (b) The commissioner shall develop and implement procedures to: (1) require
354.6 enrollees to report changes in income; (2) adjust sliding scale premium payments, based
354.7 upon both increases and decreases in enrollee income, at the time the change in income
354.8 is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required
354.9 premiums. Failure to pay includes payment with a dishonored check, a returned automatic
354.10 bank withdrawal, or a refused credit card or debit card payment. The commissioner may
354.11 demand a guaranteed form of payment, including a cashier's check or a money order, as
354.12 the only means to replace a dishonored, returned, or refused payment.

354.13 (c) Premiums are calculated on a calendar month basis and may be paid on a
354.14 monthly, quarterly, or semiannual basis, with the first payment due upon notice from the
354.15 commissioner of the premium amount required. The commissioner shall inform applicants
354.16 and enrollees of these premium payment options. Premium payment is required before
354.17 enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments
354.18 received before noon are credited the same day. Premium payments received after noon
354.19 are credited on the next working day.

354.20 (d) Nonpayment of the premium will result in disenrollment from the plan effective
354.21 for the calendar month following the month for which the premium was due. Persons
354.22 disenrolled for nonpayment may not reenroll prior to the first day of the month following
354.23 the payment of an amount equal to two months' premiums.

354.24 (e) The commissioner shall forgive the past-due premium for persons disenrolled
354.25 under paragraph (d) prior to issuing a premium invoice for the fourth month following
354.26 disenrollment.

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

354.28 Sec. 27. Minnesota Statutes 2014, section 256L.07, subdivision 1, is amended to read:

354.29 Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare
354.30 under section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under
354.31 section 256L.04, subdivision 7, whose income increases above 200 percent of the federal
354.32 poverty guidelines, are no longer eligible for the program and shall be disenrolled
354.33 by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare
354.34 coverage terminates the last day of the calendar month ~~following the month~~ in which
354.35 the commissioner ~~determines that~~ sends advance notice according to Code of Federal

355.1 Regulations, title 42, section 431.211, that indicates the income of a family or individual
355.2 exceeds program income limits.

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

355.4 Sec. 28. Minnesota Statutes 2014, section 256L.11, subdivision 7, is amended to read:

355.5 Subd. 7. **Critical access dental providers.** Effective for dental services provided to
355.6 MinnesotaCare enrollees on or after ~~January 1, 2007, through August 31, 2011~~ July 1,
355.7 2016, the commissioner shall increase payment rates to dentists and dental clinics deemed
355.8 by the commissioner to be critical access providers under section 256B.76, subdivision
355.9 4, ~~by 50 percent above the payment rate that would otherwise be paid to the provider.~~
355.10 ~~Effective for dental services provided on or after September 1, 2011, the commissioner~~
355.11 ~~shall increase the payment rate by 30~~ 32.5 percent above the payment rate that would
355.12 otherwise be paid to the provider, except for a dental clinic or dental group described in
355.13 section 256B.76, subdivision 4, paragraph (b), in which the commissioner shall increase
355.14 the payment rate by 30 percent above the payment rate that would otherwise be paid to
355.15 the provider. The commissioner shall pay the prepaid health plans under contract with
355.16 the commissioner amounts sufficient to reflect this rate increase. The prepaid health plan
355.17 must pass this rate increase to providers who have been identified by the commissioner as
355.18 critical access dental providers under section 256B.76, subdivision 4.

355.19 Sec. 29. Minnesota Statutes 2015 Supplement, section 256L.15, subdivision 1, is
355.20 amended to read:

355.21 Subdivision 1. **Premium determination for MinnesotaCare.** (a) Families with
355.22 children and individuals shall pay a premium determined according to subdivision 2.

355.23 (b) Members of the military and their families who meet the eligibility criteria
355.24 for MinnesotaCare upon eligibility approval made within 24 months following the end
355.25 of the member's tour of active duty shall have their premiums paid by the commissioner.
355.26 The effective date of coverage for an individual or family who meets the criteria of this
355.27 paragraph shall be the first day of the month following the month in which eligibility is
355.28 approved. This exemption applies for 12 months.

355.29 (c) Beginning July 1, 2009, American Indians enrolled in MinnesotaCare and their
355.30 families shall have their premiums waived by the commissioner in accordance with section
355.31 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. An
355.32 individual must ~~document~~ indicate status as an American Indian, as defined under Code of
355.33 Federal Regulations, title 42, section 447.50, to qualify for the waiver of premiums. The
355.34 commissioner shall accept attestation of an individual's status as an American Indian as

356.1 verification until the United States Department of Health and Human Services approves
356.2 an electronic data source for this purpose.

356.3 (d) For premiums effective August 1, 2015, and after, the commissioner, after
356.4 consulting with the chairs and ranking minority members of the legislative committees
356.5 with jurisdiction over human services, shall increase premiums under subdivision 2
356.6 for recipients based on June 2015 program enrollment. Premium increases shall be
356.7 sufficient to increase projected revenue to the fund described in section 16A.724 by at
356.8 least \$27,800,000 for the biennium ending June 30, 2017. The commissioner shall publish
356.9 the revised premium scale on the Department of Human Services Web site and in the State
356.10 Register no later than June 15, 2015. The revised premium scale applies to all premiums
356.11 on or after August 1, 2015, in place of the scale under subdivision 2.

356.12 (e) By July 1, 2015, the commissioner shall provide the chairs and ranking minority
356.13 members of the legislative committees with jurisdiction over human services the revised
356.14 premium scale effective August 1, 2015, and statutory language to codify the revised
356.15 premium schedule.

356.16 (f) Premium changes authorized under paragraph (d) must only apply to enrollees
356.17 not otherwise excluded from paying premiums under state or federal law. Premium
356.18 changes authorized under paragraph (d) must satisfy the requirements for premiums for
356.19 the Basic Health Program under title 42 of Code of Federal Regulations, section 600.505.

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

356.21 Sec. 30. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; NOTICE.**

356.22 For all individuals that received medical assistance non-long-term care services on
356.23 or after July 1, 2014, the commissioner of human services must provide notice of the 2016
356.24 amendments to Minnesota Statutes, section 256B.15, subdivisions 1a and 2. The notice
356.25 must be provided within 90 days from the date of enactment.

356.26 Sec. 31. **REPEALER.**

356.27 (a) Minnesota Statutes 2014, section 256B.059, subdivision 1a, is repealed.

356.28 (b) Minnesota Statutes 2014, sections 256L.04, subdivisions 2a and 8; 256L.22;
356.29 256L.24; 256L.26; and 256L.28, are repealed.

356.30 **EFFECTIVE DATE.** Paragraph (a) is effective June 1, 2016. Paragraph (b) is
356.31 effective the day following final enactment.

357.1 **ARTICLE 20**

357.2 **HEALTH DEPARTMENT**

357.3 Section 1. Minnesota Statutes 2014, section 13.3805, is amended by adding a
357.4 subdivision to read:

357.5 Subd. 5. **Radon testing and mitigation data.** Data maintained by the Department
357.6 of Health that identify the address of a radon testing or mitigation site, and the name,
357.7 address, e-mail address, and telephone number of residents and residential property owners
357.8 of a radon testing or mitigation site, are private data on individuals or nonpublic data.

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

357.10 Sec. 2. Minnesota Statutes 2014, section 62D.04, subdivision 1, is amended to read:

357.11 Subdivision 1. **Application review.** Upon receipt of an application for a certificate
357.12 of authority, the commissioner of health shall determine whether the applicant for a
357.13 certificate of authority has:

357.14 (a) demonstrated the willingness and potential ability to assure that health care
357.15 services will be provided in such a manner as to enhance and assure both the availability
357.16 and accessibility of adequate personnel and facilities;

357.17 (b) arrangements for an ongoing evaluation of the quality of health care, including a
357.18 peer review process;

357.19 (c) a procedure to develop, compile, evaluate, and report statistics relating to the
357.20 cost of its operations, the pattern of utilization of its services, the quality, availability and
357.21 accessibility of its services, and such other matters as may be reasonably required by
357.22 regulation of the commissioner of health;

357.23 (d) reasonable provisions for emergency and out of area health care services;

357.24 (e) demonstrated that it is financially responsible and may reasonably be expected to
357.25 meet its obligations to enrollees and prospective enrollees. In making this determination,
357.26 the commissioner of health shall require the amount of initial net worth required in section
357.27 62D.042, compliance with the risk-based capital standards under sections 60A.50 to
357.28 60A.592, the deposit required in section 62D.041, and in addition shall consider:

357.29 (1) the financial soundness of its arrangements for health care services and the
357.30 proposed schedule of charges used in connection therewith;

357.31 (2) arrangements which will guarantee for a reasonable period of time the continued
357.32 availability or payment of the cost of health care services in the event of discontinuance of
357.33 the health maintenance organization; and

357.34 (3) agreements with providers for the provision of health care services;

358.1 (f) demonstrated that it will assume full financial risk on a prospective basis for
358.2 the provision of comprehensive health maintenance services, including hospital care;
358.3 provided, however, that the requirement in this paragraph shall not prohibit the following:

358.4 (1) a health maintenance organization from obtaining insurance or making
358.5 other arrangements (i) for the cost of providing to any enrollee comprehensive health
358.6 maintenance services, the aggregate value of which exceeds \$5,000 in any year, (ii) for
358.7 the cost of providing comprehensive health care services to its members on a nonelective
358.8 emergency basis, or while they are outside the area served by the organization, or (iii) for
358.9 not more than 95 percent of the amount by which the health maintenance organization's
358.10 costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

358.11 (2) a health maintenance organization from having a provision in a group health
358.12 maintenance contract allowing an adjustment of premiums paid based upon the actual
358.13 health services utilization of the enrollees covered under the contract, except that at no
358.14 time during the life of the contract shall the contract holder fully self-insure the financial
358.15 risk of health care services delivered under the contract. Risk sharing arrangements shall
358.16 be subject to the requirements of sections 62D.01 to 62D.30;

358.17 (g) demonstrated that it has made provisions for and adopted a conflict of interest
358.18 policy applicable to all members of the board of directors and the principal officers of the
358.19 health maintenance organization. The conflict of interest policy shall include the procedures
358.20 described in section 317A.255, subdivisions 1 and 2. However, the commissioner is
358.21 not precluded from finding that a particular transaction is an unreasonable expense as
358.22 described in section 62D.19 even if the directors follow the required procedures; and

358.23 (h) otherwise met the requirements of sections 62D.01 to 62D.30.

358.24 Sec. 3. Minnesota Statutes 2014, section 62D.08, subdivision 3, is amended to read:

358.25 Subd. 3. **Report requirements.** Such report shall be on forms prescribed by the
358.26 commissioner of health, and shall include:

358.27 (a) a financial statement of the organization, including its balance sheet and receipts
358.28 and disbursements for the preceding year certified by an independent certified public
358.29 accountant, reflecting at least (1) all prepayment and other payments received for health
358.30 care services rendered, (2) expenditures to all providers, by classes or groups of providers,
358.31 and insurance companies or nonprofit health service plan corporations engaged to fulfill
358.32 obligations arising out of the health maintenance contract, (3) expenditures for capital
358.33 improvements, or additions thereto, including but not limited to construction, renovation
358.34 or purchase of facilities and capital equipment, and (4) a supplementary statement of

359.1 assets, liabilities, premium revenue, and expenditures for risk sharing business under
359.2 section 62D.04, subdivision 1, on forms prescribed by the commissioner;

359.3 (b) the number of new enrollees enrolled during the year, the number of group
359.4 enrollees and the number of individual enrollees as of the end of the year and the number
359.5 of enrollees terminated during the year;

359.6 (c) a summary of information compiled pursuant to section 62D.04, subdivision 1,
359.7 clause (c), in such form as may be required by the commissioner of health;

359.8 (d) a report of the names and addresses of all persons set forth in section 62D.03,
359.9 subdivision 4, clause (c), who were associated with the health maintenance organization
359.10 or the major participating entity during the preceding year, and the amount of wages,
359.11 expense reimbursements, or other payments to such individuals for services to the health
359.12 maintenance organization or the major participating entity, as those services relate to the
359.13 health maintenance organization, including a full disclosure of all financial arrangements
359.14 during the preceding year required to be disclosed pursuant to section 62D.03, subdivision
359.15 4, clause (d);

359.16 (e) a separate report addressing health maintenance contracts sold to individuals
359.17 covered by Medicare, title XVIII of the Social Security Act, as amended, including the
359.18 information required under section 62D.30, subdivision 6; and

359.19 (f) data on the number of complaints received and the category of each complaint
359.20 as defined by the commissioner. The categories must include access, communication
359.21 and behavior, health plan administration, facilities and environment, coordination of
359.22 care, and technical competence and appropriateness. The commissioner, in consultation
359.23 with interested stakeholders, shall define complaint categories to be used by each health
359.24 maintenance organization by July 1, 2017, and the categories must be used by each health
359.25 maintenance organization beginning calendar year 2018; and

359.26 (f) (g) such other information relating to the performance of the health maintenance
359.27 organization as is reasonably necessary to enable the commissioner of health to carry out
359.28 the duties under sections 62D.01 to 62D.30.

359.29 Sec. 4. **[62D.115] QUALITY OF CARE COMPLAINTS.**

359.30 **Subdivision 1. Quality of care complaint.** For purposes of this section, "quality
359.31 of care complaint" means an expressed dissatisfaction regarding health care services
359.32 resulting in potential or actual harm to an enrollee. Quality of care complaints may
359.33 include the following, to the extent that they affect the clinical quality of health care
359.34 services rendered: access; provider and staff competence; clinical appropriateness of care;

360.1 communications; behavior; facility and environmental considerations; and other factors
360.2 that could impact the quality of health care services.

360.3 Subd. 2. **Quality of care complaint investigation.** (a) Each health maintenance
360.4 organization shall develop and implement a quality of care complaint investigation process
360.5 that meets the requirements of this section. The process must include a written policy and
360.6 procedures for the receipt, investigation, and follow-up of quality of care complaints, that
360.7 includes the requirements in paragraphs (b) to (h).

360.8 (b) A health maintenance organization's definition for quality of care complaints
360.9 must include the concerns identified in subdivision 1.

360.10 (c) A health maintenance organization must include a description of each quality of
360.11 care complaint level of severity, including:

360.12 (1) classification of complaints that warrant peer protection confidentiality as defined
360.13 by the commissioner in paragraph (h); and

360.14 (2) investigation procedures for each level of severity.

360.15 (d) Any complaint with an allegation regarding quality of care or service must be
360.16 investigated by the health maintenance organization. Documentation must show that
360.17 each allegation has been addressed.

360.18 (e) Conclusions of each investigation must be supported with evidence that may
360.19 include an associated corrective action plan implemented and documented and a formal
360.20 response from a provider to the health maintenance organization if a formal response
360.21 was submitted to the health maintenance organization. The record of investigation must
360.22 include all related documents, correspondence, summaries, discussions, consultation,
360.23 and conferences held.

360.24 (f) A medical director review shall be conducted as part of the investigation process
360.25 when there is potential for patient harm.

360.26 (g) Each quality of care complaint received by a health maintenance organization
360.27 must be tracked and trended for review by the health maintenance organization according
360.28 to provider type and the following type of quality of care issue: behavior, facility,
360.29 environmental, or technical competence.

360.30 (h) The commissioner, in consultation with interested stakeholders, shall define
360.31 complaints that are subject to peer protection confidentiality in accordance with state and
360.32 federal law by January 1, 2018.

360.33 Subd. 3. **Complaint reporting.** Each health maintenance organization shall submit
360.34 to the commissioner, as part of the company's annual filing, data on the number of
360.35 complaints and the category as defined by the commissioner as required under section
360.36 62D.08, subdivision 3, paragraph (f).

361.1 Subd. 4. **Records.** Each health maintenance organization shall maintain records of
361.2 all quality of care complaints and their resolution and retain those records for five years.
361.3 Notwithstanding section 145.64, information provided to the commissioner according to
361.4 this subdivision is classified as confidential data on individuals or protected nonpublic
361.5 data as defined in section 13.02, subdivision 3 or 13.

361.6 Subd. 5. **Exception.** This section does not apply to quality of care complaints
361.7 received by a health maintenance organization from an enrollee who is covered under a
361.8 public health care program administered by the commissioner of human services under
361.9 chapter 256B or 256L.

361.10 Sec. 5. Minnesota Statutes 2014, section 62J.495, subdivision 4, is amended to read:

361.11 **Subd. 4. **Coordination with national HIT activities.**** (a) The commissioner,
361.12 in consultation with the e-Health Advisory Committee, shall update the statewide
361.13 implementation plan required under subdivision 2 and released June 2008, to be consistent
361.14 with the updated Federal HIT Strategic Plan released by the Office of the National
361.15 Coordinator in accordance with section 3001 of the HITECH Act. The statewide plan
361.16 shall meet the requirements for a plan required under section 3013 of the HITECH Act.

361.17 (b) The commissioner, in consultation with the e-Health Advisory Committee,
361.18 shall work to ensure coordination between state, regional, and national efforts to support
361.19 and accelerate efforts to effectively use health information technology to improve the
361.20 quality and coordination of health care and the continuity of patient care among health
361.21 care providers, to reduce medical errors, to improve population health, to reduce health
361.22 disparities, and to reduce chronic disease. The commissioner's coordination efforts shall
361.23 include but not be limited to:

361.24 (1) assisting in the development and support of health information technology
361.25 regional extension centers established under section 3012(c) of the HITECH Act to
361.26 provide technical assistance and disseminate best practices; ~~and~~

361.27 (2) providing supplemental information to the best practices gathered by regional
361.28 centers to ensure that the information is relayed in a meaningful way to the Minnesota
361.29 health care community;

361.30 (3) providing financial and technical support to Minnesota health care providers to
361.31 encourage implementation of admission, discharge and transfer alerts, and care summary
361.32 document exchange transactions and to evaluate the impact of health information
361.33 technology on cost and quality of care. Communications about available financial and
361.34 technical support shall include clear information about the interoperable health record

362.1 requirements in subdivision 1, including a separate statement in bold-face type clarifying
362.2 the exceptions to those requirements;

362.3 (4) providing educational resources and technical assistance to health care providers
362.4 and patients related to state and national privacy, security, and consent laws governing
362.5 clinical health information, including the requirements in sections 144.291 to 144.298. In
362.6 carrying out these activities, the commissioner's technical assistance does not constitute
362.7 legal advice;

362.8 (5) assessing Minnesota's legal, financial, and regulatory framework for health
362.9 information exchange, including the requirements in sections 144.291 to 144.298, and
362.10 making recommendations for modifications that would strengthen the ability of Minnesota
362.11 health care providers to securely exchange data in compliance with patient preferences
362.12 and in a way that is efficient and financially sustainable; and

362.13 (6) seeking public input on both patient impact and costs associated with
362.14 requirements related to patient consent for release of health records for the purposes of
362.15 treatment, payment, and health care operations, as required in section 144.293, subdivision
362.16 2. The commissioner shall provide a report to the legislature on the findings of this public
362.17 input process no later than February 1, 2017.

362.18 (c) The commissioner, in consultation with the e-Health Advisory Committee, shall
362.19 monitor national activity related to health information technology and shall coordinate
362.20 statewide input on policy development. The commissioner shall coordinate statewide
362.21 responses to proposed federal health information technology regulations in order to ensure
362.22 that the needs of the Minnesota health care community are adequately and efficiently
362.23 addressed in the proposed regulations. The commissioner's responses may include, but
362.24 are not limited to:

362.25 (1) reviewing and evaluating any standard, implementation specification, or
362.26 certification criteria proposed by the national HIT standards committee;

362.27 (2) reviewing and evaluating policy proposed by the national HIT policy committee
362.28 relating to the implementation of a nationwide health information technology infrastructure;

362.29 (3) monitoring and responding to activity related to the development of quality
362.30 measures and other measures as required by section 4101 of the HITECH Act. Any
362.31 response related to quality measures shall consider and address the quality efforts required
362.32 under chapter 62U; and

362.33 (4) monitoring and responding to national activity related to privacy, security, and
362.34 data stewardship of electronic health information and individually identifiable health
362.35 information.

363.1 (d) To the extent that the state is either required or allowed to apply, or designate an
363.2 entity to apply for or carry out activities and programs under section 3013 of the HITECH
363.3 Act, the commissioner of health, in consultation with the e-Health Advisory Committee
363.4 and the commissioner of human services, shall be the lead applicant or sole designating
363.5 authority. The commissioner shall make such designations consistent with the goals and
363.6 objectives of sections 62J.495 to 62J.497 and 62J.50 to 62J.61.

363.7 (e) The commissioner of human services shall apply for funding necessary to
363.8 administer the incentive payments to providers authorized under title IV of the American
363.9 Recovery and Reinvestment Act.

363.10 (f) The commissioner shall include in the report to the legislature information on the
363.11 activities of this subdivision and provide recommendations on any relevant policy changes
363.12 that should be considered in Minnesota.

363.13 Sec. 6. Minnesota Statutes 2014, section 62J.496, subdivision 1, is amended to read:

363.14 Subdivision 1. **Account establishment.** (a) An account is established to:

363.15 (1) finance the purchase of certified electronic health records or qualified electronic
363.16 health records as defined in section 62J.495, subdivision 1a;

363.17 (2) enhance the utilization of electronic health record technology, which may include
363.18 costs associated with upgrading the technology to meet the criteria necessary to be a
363.19 certified electronic health record or a qualified electronic health record;

363.20 (3) train personnel in the use of electronic health record technology; and

363.21 (4) improve the secure electronic exchange of health information.

363.22 (b) Amounts deposited in the account, including any grant funds obtained through
363.23 federal or other sources, loan repayments, and interest earned on the amounts shall
363.24 be used only for awarding loans or loan guarantees, as a source of reserve and security
363.25 for leveraged loans, for activities authorized in section 62J.495, subdivision 4, or for
363.26 the administration of the account.

363.27 (c) The commissioner may accept contributions to the account from private sector
363.28 entities subject to the following provisions:

363.29 (1) the contributing entity may not specify the recipient or recipients of any loan
363.30 issued under this subdivision;

363.31 (2) the commissioner shall make public the identity of any private contributor to the
363.32 loan fund, as well as the amount of the contribution provided;

363.33 (3) the commissioner may issue letters of commendation or make other awards that
363.34 have no financial value to any such entity; and

364.1 (4) a contributing entity may not specify that the recipient or recipients of any loan
364.2 use specific products or services, nor may the contributing entity imply that a contribution
364.3 is an endorsement of any specific product or service.

364.4 (d) The commissioner may use the loan funds to reimburse private sector entities
364.5 for any contribution made to the loan fund. Reimbursement to private entities may not
364.6 exceed the principle amount contributed to the loan fund.

364.7 (e) The commissioner may use funds deposited in the account to guarantee, or
364.8 purchase insurance for, a local obligation if the guarantee or purchase would improve
364.9 credit market access or reduce the interest rate applicable to the obligation involved.

364.10 (f) The commissioner may use funds deposited in the account as a source of revenue
364.11 or security for the payment of principal and interest on revenue or general obligation
364.12 bonds issued by the state if the proceeds of the sale of the bonds will be deposited into
364.13 the loan fund.

364.14 (g) The commissioner shall not award new loans or loan guarantees after July 1, 2016.

364.15 Sec. 7. Minnesota Statutes 2014, section 144.05, is amended by adding a subdivision
364.16 to read:

364.17 Subd. 6. Reports on interagency agreements and intra-agency transfers. The
364.18 commissioner of health shall provide quarterly reports to the chairs and ranking minority
364.19 members of the legislative committees with jurisdiction over health and human services
364.20 policy and finance on:

364.21 (1) interagency agreements or service-level agreements and any renewals or
364.22 extensions of existing interagency or service level agreements with a state department
364.23 under section 15.01, state agency under section 15.012, or the Office of MN.IT Services,
364.24 with a value of more than \$100,000, or related agreements with the same department or
364.25 agency with a cumulative value of more than \$100,000; and

364.26 (2) transfers of appropriations of more than \$100,000 between accounts within or
364.27 between agencies.

364.28 The report must include the statutory citation authorizing the agreement, transfer or dollar
364.29 amount, purpose, and effective date of the agreement, duration of the agreement, and
364.30 a copy of the agreement.

364.31 Sec. 8. [144.1912] GREATER MINNESOTA FAMILY MEDICINE RESIDENCY
364.32 GRANT PROGRAM.

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

365.1 (b) "Commissioner" means the commissioner of health.

365.2 (c) "Eligible family medicine residency program" means a program that meets the
365.3 following criteria:

365.4 (1) is located in Minnesota outside the seven-county metropolitan area, as defined in
365.5 section 473.121, subdivision 4;

365.6 (2) is accredited as a family medicine residency program or is a candidate for
365.7 accreditation;

365.8 (3) is focused on the education and training of family medicine physicians to serve
365.9 communities outside the metropolitan area; and

365.10 (4) demonstrates that over the most recent three years, at least 25 percent of its
365.11 graduates practice in Minnesota communities outside the metropolitan area.

365.12 Subd. 2. **Program administration.** (a) The commissioner shall award family
365.13 medicine residency grants to existing, eligible, not-for-profit family medicine residency
365.14 programs to support current and new residency positions. Funds shall be allocated first to
365.15 proposed new family medicine residency positions, and remaining funds shall be allocated
365.16 proportionally based on the number of existing residents in eligible programs. The
365.17 commissioner may fund a new residency position for up to three years.

365.18 (b) Grant funds awarded may only be spent to cover the costs of:

365.19 (1) establishing, maintaining, or expanding training for family medicine residents;

365.20 (2) recruitment, training, and retention of residents and faculty;

365.21 (3) travel and lodging for residents; and

365.22 (4) faculty, resident, and preceptor salaries.

365.23 (c) Grant funds shall not be used to supplant any other government or private funds
365.24 available for these purposes.

365.25 Subd. 3. **Applications.** Eligible family medicine residency programs seeking a
365.26 grant must apply to the commissioner. The application must include objectives, a related
365.27 work plan and budget, a description of the number of new and existing residency positions
365.28 that will be supported using grant funds, and additional information the commissioner
365.29 determines to be necessary. The commissioner shall determine whether applications are
365.30 complete and responsive and may require revisions or additional information before
365.31 awarding a grant.

365.32 Subd. 4. **Program oversight.** The commissioner shall require and collect from
365.33 family medicine residency programs receiving grants, information necessary to administer
365.34 and evaluate the program. The evaluation shall include the scope of expansion of new
365.35 residency positions and information describing specific programs to enhance current

366.1 residency positions, which may include facility improvements. The commissioner shall
366.2 continue to collect data on greater Minnesota family medicine residency shortages.

366.3 Sec. 9. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 3, is
366.4 amended to read:

366.5 Subd. 3. **Rulemaking.** The commissioner of health shall adopt rules ~~for~~ establishing
366.6 licensure requirements and enforcement of applicable laws and rules work standards
366.7 relating to indoor radon in dwellings and other buildings, with the exception of newly
366.8 constructed Minnesota homes according to section 326B.106, subdivision 6. The
366.9 commissioner shall coordinate, oversee, and implement all state functions in matters
366.10 concerning the presence, effects, measurement, and mitigation of risks of radon in
366.11 dwellings and other buildings.

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

366.13 Sec. 10. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 4,
366.14 is amended to read:

366.15 Subd. 4. **System tag.** All radon mitigation systems installed in Minnesota on or
366.16 after ~~October 1, 2017~~ January 1, 2018, must have a radon mitigation system tag provided
366.17 by the commissioner. A radon mitigation professional must attach the tag to the radon
366.18 mitigation system in a visible location.

366.19 Sec. 11. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 5,
366.20 is amended to read:

366.21 Subd. 5. **License required annually.** Effective January 1, 2018, a license is required
366.22 annually for every person, firm, or corporation that ~~sells a device or~~ performs a service
366.23 for compensation to detect the presence of radon in the indoor atmosphere, performs
366.24 laboratory analysis, or performs a service to mitigate radon in the indoor atmosphere. ~~This~~
366.25 ~~section does not apply to retail stores that only sell or distribute radon sampling but are not~~
366.26 ~~engaged in the manufacture of radon sampling devices.~~

366.27 Sec. 12. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 6,
366.28 is amended to read:

366.29 Subd. 6. **Exemptions.** ~~Radon systems installed in newly constructed Minnesota~~
366.30 ~~homes according to section 326B.106, subdivision 6, prior to the issuance of a certificate~~
366.31 ~~of occupancy are not required to follow the requirements of this section.~~ This section
366.32 does not apply to:

367.1 (1) employees of a firm or corporation that installs radon control systems in newly
367.2 constructed Minnesota homes as specified in subdivision 11;

367.3 (2) a person authorized as a building official under Minnesota Rules, part 1300.0070,
367.4 or that person's designee; or

367.5 (3) any person, firm, corporation, or entity that distributes radon testing devices or
367.6 information for general educational purposes.

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

367.8 Sec. 13. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 8,
367.9 is amended to read:

367.10 Subd. 8. **Licensing fees.** (a) All radon license applications submitted to the
367.11 commissioner of health must be accompanied by the required fees. If the commissioner
367.12 determines that insufficient fees were paid, the necessary additional fees must be paid
367.13 before the commissioner approves the application. The commissioner shall charge the
367.14 following fees for each radon license:

367.15 (1) Each measurement professional license, ~~\$300~~ \$150 per year. "Measurement
367.16 professional" means any person who performs a test to determine the presence and
367.17 concentration of radon in a building ~~they do~~ the person does not own or lease; ~~provides~~
367.18 ~~professional or expert advice on radon testing, radon exposure, or health risks related to~~
367.19 ~~radon exposure; or makes representations of doing any of these activities.~~

367.20 (2) Each mitigation professional license, ~~\$500~~ \$250 per year. "Mitigation
367.21 professional" means an individual who ~~performs~~ installs or designs a radon mitigation
367.22 system in a building ~~they do~~ the individual does not own or lease; ~~provides professional or~~
367.23 ~~expert advice on radon mitigation or radon entry routes; or provides on-site supervision~~
367.24 ~~of radon mitigation and mitigation technicians; or makes representations of doing any of~~
367.25 ~~these activities.~~ "On-site supervision" means a review at the property of mitigation work
367.26 upon completion of the work and attachment of a system tag. Employees or subcontractors
367.27 who are supervised by a licensed mitigation professional are not required to be licensed
367.28 under this clause. This license also permits the licensee to perform the activities of a
367.29 measurement professional described in clause (1).

367.30 (3) Each mitigation company license, ~~\$500~~ \$100 per year. "Mitigation company"
367.31 means any business or government entity that performs or authorizes employees to
367.32 perform radon mitigation. This fee is waived if the mitigation company is a sole
367.33 proprietorship employs only one licensed mitigation professional.

367.34 (4) Each radon analysis laboratory license, \$500 per year. "Radon analysis
367.35 laboratory" means a business entity or government entity that analyzes passive radon

368.1 detection devices to determine the presence and concentration of radon in the devices.
368.2 This fee is waived if the laboratory is a government entity and is only distributing test kits
368.3 for the general public to use in Minnesota.

368.4 (5) Each Minnesota Department of Health radon mitigation system tag, \$75 per tag.
368.5 "Minnesota Department of Health radon mitigation system tag" or "system tag" means a
368.6 unique identifiable radon system label provided by the commissioner of health.

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

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

368.10 Sec. 14. Minnesota Statutes 2015 Supplement, section 144.4961, is amended by adding
368.11 a subdivision to read:

368.12 **Subd. 10. Local inspections or permits.** This section does not preclude local units
368.13 of government from requiring additional permits or inspections for radon control systems,
368.14 and does not supersede any local inspection or permit requirements.

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

368.16 Sec. 15. Minnesota Statutes 2015 Supplement, section 144.4961, is amended by adding
368.17 a subdivision to read:

368.18 **Subd. 11. Application; newly constructed homes.** This section does not apply to
368.19 newly constructed Minnesota homes according to section 326B.106, subdivision 6, prior
368.20 to the issuance of a certificate of occupancy.

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

368.22 Sec. 16. Minnesota Statutes 2014, section 144A.75, subdivision 5, is amended to read:

368.23 **Subd. 5. Hospice provider.** "Hospice provider" means an individual, organization,
368.24 association, corporation, unit of government, or other entity that is regularly engaged
368.25 in the delivery, directly or by contractual arrangement, of hospice services for a fee to
368.26 ~~terminally ill~~ hospice patients. A hospice must provide all core services.

368.27 Sec. 17. Minnesota Statutes 2014, section 144A.75, subdivision 6, is amended to read:

368.28 **Subd. 6. Hospice patient.** "Hospice patient" means an individual ~~who has been~~
368.29 ~~diagnosed as terminally ill, with a probable life expectancy of under one year, as whose~~
368.30 illness has been documented by the individual's attending physician and hospice medical

369.1 director, who alone or, when unable, through the individual's family has voluntarily
369.2 consented to and received admission to a hospice provider, and who:

369.3 (1) has been diagnosed as terminally ill, with a probable life expectancy of under
369.4 one year; or

369.5 (2) is 21 years of age or younger; has been diagnosed with a chronic, complex, and
369.6 life-threatening illness contributing to a shortened life expectancy; and is not expected
369.7 to survive to adulthood.

369.8 Sec. 18. Minnesota Statutes 2014, section 144A.75, subdivision 8, is amended to read:

369.9 Subd. 8. **Hospice services; hospice care.** "Hospice services" or "hospice care"
369.10 means palliative and supportive care and other services provided by an interdisciplinary
369.11 team under the direction of an identifiable hospice administration to terminally ill hospice
369.12 patients and their families to meet the physical, nutritional, emotional, social, spiritual,
369.13 and special needs experienced during the final stages of illness, dying, and bereavement,
369.14 or during a chronic, complex, and life-threatening illness contributing to a shortened life
369.15 expectancy for hospice patients who meet the criteria in subdivision 6, clause (2). These
369.16 services are provided through a centrally coordinated program that ensures continuity and
369.17 consistency of home and inpatient care that is provided directly or through an agreement.

369.18 Sec. 19. Minnesota Statutes 2015 Supplement, section 144A.75, subdivision 13,
369.19 is amended to read:

369.20 Subd. 13. **Residential hospice facility.** (a) "Residential hospice facility" means a
369.21 facility that resembles a single-family home modified to address life safety, accessibility,
369.22 and care needs, located in a residential area that directly provides 24-hour residential
369.23 and support services in a home-like setting for hospice patients as an integral part of the
369.24 continuum of home care provided by a hospice and that houses:

369.25 (1) no more than eight hospice patients; or

369.26 (2) at least nine and no more than 12 hospice patients with the approval of the local
369.27 governing authority, notwithstanding section 462.357, subdivision 8.

369.28 (b) Residential hospice facility also means a facility that directly provides 24-hour
369.29 residential and support services for hospice patients and that:

369.30 (1) houses no more than 21 hospice patients;

369.31 (2) meets hospice certification regulations adopted pursuant to title XVIII of the
369.32 federal Social Security Act, United States Code, title 42, section 1395, et seq.; and

369.33 (3) is located on St. Anthony Avenue in St. Paul, Minnesota, and was licensed as a
369.34 40-bed non-Medicare certified nursing home as of January 1, 2015.

370.1 Sec. 20. Minnesota Statutes 2014, section 144A.75, is amended by adding a
370.2 subdivision to read:

370.3 Subd. 13a. **Respite care.** "Respite care" means short-term care in an inpatient
370.4 facility, such as a residential hospice facility, when necessary to relieve the hospice
370.5 patient's family or other persons caring for the patient. Respite care may be provided on
370.6 an occasional basis.

370.7 Sec. 21. [145.908] GRANT PROGRAM; SCREENING AND TREATMENT FOR
370.8 PRE- AND POSTPARTUM MOOD AND ANXIETY DISORDERS.

370.9 Subdivision 1. **Grant program established.** Within the limits of federal funds
370.10 available specifically for this purpose, the commissioner of health shall establish a grant
370.11 program to provide culturally competent programs to screen and treat pregnant women
370.12 and women who have given birth in the preceding 12 months for pre- and postpartum
370.13 mood and anxiety disorders. Organizations may use grant funds to establish new screening
370.14 or treatment programs, or expand or maintain existing screening or treatment programs. In
370.15 establishing the grant program, the commissioner shall prioritize expanding or enhancing
370.16 screening for pre- and postpartum mood and anxiety disorders in primary care settings.
370.17 The commissioner shall determine the types of organizations eligible for grants.

370.18 Subd. 2. **Allowable uses of funds.** Grant funds awarded by the commissioner
370.19 under this section:

370.20 (1) must be used to provide health care providers with appropriate training
370.21 and relevant resources on screening, treatment, follow-up support, and links to
370.22 community-based resources for pre- and postpartum mood and anxiety disorders; and

370.23 (2) may be used to:

370.24 (i) enable health care providers to provide or receive psychiatric consultations to
370.25 treat eligible women for pre- and postpartum mood and anxiety disorders;

370.26 (ii) conduct a public awareness campaign;

370.27 (iii) fund start-up costs for telephone lines, Web sites, and other resources to collect
370.28 and disseminate information about screening and treatment for pre- and postpartum mood
370.29 and anxiety disorders; or

370.30 (iv) establish connections between community-based resources.

370.31 Subd. 3. **Federal funds.** The commissioner shall apply for any available grant funds
370.32 from the federal Department of Health and Human Services for this program.

370.33 Sec. 22. Minnesota Statutes 2014, section 149A.50, subdivision 2, is amended to read:

371.1 Subd. 2. **Requirements for funeral establishment.** A funeral establishment
371.2 licensed under this section must:

371.3 (1) ~~contain a~~ comply with preparation and embalming room requirements as
371.4 described in section 149A.92;

371.5 (2) contain office space for making arrangements; and

371.6 (3) comply with applicable local and state building codes, zoning laws, and
371.7 ordinances.

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

371.9 Sec. 23. Minnesota Statutes 2015 Supplement, section 149A.92, subdivision 1, is
371.10 amended to read:

371.11 Subdivision 1. **Establishment update.** ~~(a) Notwithstanding subdivision 11, a~~
371.12 ~~funeral establishment with other establishment locations that uses one preparation and~~
371.13 ~~embalming room for all establishment locations has until July 1, 2017, to bring the other~~
371.14 ~~establishment locations that are not used for preparation or embalming into compliance~~
371.15 ~~with this section so long as the preparation and embalming room that is used complies~~
371.16 ~~with the minimum standards in this section.~~

371.17 ~~(b) At the time that ownership of a funeral establishment changes, the physical~~
371.18 ~~location of the establishment changes, or the building housing the funeral establishment or~~
371.19 ~~business space of the establishment is remodeled the existing preparation and embalming~~
371.20 ~~room must be brought into compliance with the minimum standards in this section and in~~
371.21 ~~accordance with subdivision 11.~~

371.22 (a) Any room used by a funeral establishment for preparation and embalming must
371.23 comply with the minimum standards of this section. A funeral establishment where no
371.24 preparation and embalming is performed, but which conducts viewings, visitations, and
371.25 services, or which holds human remains while awaiting final disposition, need not comply
371.26 with the minimum standards of this section.

371.27 (b) Each funeral establishment must have a preparation and embalming room that
371.28 complies with the minimum standards of this section, except that a funeral establishment
371.29 that operates branch locations need only have one compliant preparation and embalming
371.30 room for all locations.

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

371.32 Sec. 24. Minnesota Statutes 2014, section 327.14, subdivision 8, is amended to read:

372.1 Subd. 8. **Recreational camping area.** "Recreational camping area" means any area,
372.2 whether privately or publicly owned, used on a daily, nightly, weekly, or longer basis for
372.3 the accommodation of five or more tents or recreational camping vehicles free of charge
372.4 or for compensation. "Recreational camping area" excludes:

372.5 (1) children's camps;

372.6 (2) industrial camps;

372.7 (3) migrant labor camps, as defined in Minnesota Statutes and state commissioner
372.8 of health rules;

372.9 (4) United States Forest Service camps;

372.10 (5) state forest service camps;

372.11 (6) state wildlife management areas or state-owned public access areas which are
372.12 restricted in use to picnicking and boat landing; ~~and~~

372.13 (7) temporary holding areas for self-contained recreational camping vehicles
372.14 created by and adjacent to motor sports facilities, if the chief law enforcement officer of
372.15 an affected jurisdiction determines that it is in the interest of public safety to provide a
372.16 temporary holding area; and

372.17 (8) a privately owned area used for camping no more than once a year and for no
372.18 longer than seven consecutive days by members of a private club where the members pay
372.19 annual dues to belong to the club.

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

372.21 Sec. 25. Laws 2015, chapter 71, article 8, section 24, the effective date, is amended to
372.22 read:

372.23 **EFFECTIVE DATE.** This section is effective July 1, 2015, except subdivisions 4
372.24 and 5, which are effective ~~October 1, 2017~~ July 1, 2016.

372.25 Sec. 26. **REPEALER.**

372.26 Minnesota Statutes 2014, section 149A.92, subdivision 11, is repealed the day
372.27 following final enactment.

372.28 **ARTICLE 21**

372.29 **HEALTH-RELATED OCCUPATIONAL LICENSING**

372.30 **GENETIC COUNSELORS**

372.31 Section 1. **[147F.01] DEFINITIONS.**

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

373.3 Subd. 2. **ABGC.** "ABGC" means the American Board of Genetic Counseling, a
373.4 national agency for certification and recertification of genetic counselors, or its successor
373.5 organization or equivalent.

373.6 Subd. 3. **ABMG.** "ABMG" means the American Board of Medical Genetics,
373.7 a national agency for certification and recertification of genetic counselors, medical
373.8 geneticists, and Ph.D. geneticists, or its successor organization.

373.9 Subd. 4. **ACGC.** "ACGC" means the Accreditation Council for Genetic Counseling,
373.10 a specialized program accreditation board for educational training programs granting
373.11 master's degrees or higher in genetic counseling, or its successor organization.

373.12 Subd. 5. **Board.** "Board" means the Board of Medical Practice.

373.13 Subd. 6. **Eligible status.** "Eligible status" means an applicant who has met the
373.14 requirements and received approval from the ABGC to sit for the certification examination.

373.15 Subd. 7. **Genetic counseling.** "Genetic counseling" means the provision of services
373.16 described in section 147F.03 to help clients and their families understand the medical,
373.17 psychological, and familial implications of genetic contributions to a disease or medical
373.18 condition.

373.19 Subd. 8. **Genetic counselor.** "Genetic counselor" means an individual licensed
373.20 under this chapter to engage in the practice of genetic counseling.

373.21 Subd. 9. **Licensed physician.** "Licensed physician" means an individual who is
373.22 licensed to practice medicine under chapter 147.

373.23 Subd. 10. **NSGC.** "NSGC" means the National Society of Genetic Counselors, a
373.24 professional membership association for genetic counselors that approves continuing
373.25 education programs.

373.26 Subd. 11. **Qualified supervisor.** "Qualified supervisor" means any person who is
373.27 licensed under this chapter as a genetic counselor or a physician licensed under chapter
373.28 147 to practice medicine in Minnesota.

373.29 Subd. 12. **Supervisee.** "Supervisee" means a genetic counselor with a provisional
373.30 license.

373.31 Subd. 13. **Supervision.** "Supervision" means an assessment of the work of the
373.32 supervisee, including regular meetings and file review, by a qualified supervisor according
373.33 to the supervision contract. Supervision does not require the qualified supervisor to be
373.34 present while the supervisee provides services.

373.35 Sec. 2. **[147F.03] SCOPE OF PRACTICE.**

374.1 The practice of genetic counseling by a licensed genetic counselor includes the
374.2 following services:

374.3 (1) obtaining and interpreting individual and family medical and developmental
374.4 histories;

374.5 (2) determining the mode of inheritance and the risk of transmitting genetic
374.6 conditions and birth defects;

374.7 (3) discussing the inheritance, features, natural history, means of diagnosis, and
374.8 management of conditions with clients;

374.9 (4) identifying, coordinating, ordering, and explaining the clinical implications of
374.10 genetic laboratory tests and other laboratory studies;

374.11 (5) assessing psychosocial factors, including social, educational, and cultural issues;

374.12 (6) providing client-centered counseling and anticipatory guidance to the client or
374.13 family based on their responses to the condition, risk of occurrence, or risk of recurrence;

374.14 (7) facilitating informed decision-making about testing and management;

374.15 (8) identifying and using community resources that provide medical, educational,
374.16 financial, and psychosocial support and advocacy; and

374.17 (9) providing accurate written medical, genetic, and counseling information for
374.18 families and health care professionals.

374.19 **Sec. 3. [147F.05] UNLICENSED PRACTICE PROHIBITED; PROTECTED**
374.20 **TITLES AND RESTRICTIONS ON USE.**

374.21 Subdivision 1. **Protected titles.** No individual may use the title "genetic counselor,"
374.22 "licensed genetic counselor," "gene counselor," "genetic consultant," "genetic assistant,"
374.23 "genetic associate," or any words, letters, abbreviations, or insignia indicating or implying
374.24 that the individual is eligible for licensure by the state as a genetic counselor unless the
374.25 individual has been licensed as a genetic counselor according to this chapter.

374.26 Subd. 2. **Unlicensed practice prohibited.** Effective January 1, 2018, no individual
374.27 may practice genetic counseling unless the individual is licensed as a genetic counselor
374.28 under this chapter except as otherwise provided under this chapter.

374.29 Subd. 3. **Other practitioners.** (a) Nothing in this chapter shall be construed to
374.30 prohibit or restrict the practice of any profession or occupation licensed or registered by the
374.31 state by an individual duly licensed or registered to practice the profession or occupation
374.32 or to perform any act that falls within the scope of practice of the profession or occupation.

374.33 (b) Nothing in this chapter shall be construed to require a license under this chapter
374.34 for:

375.1 (1) an individual employed as a genetic counselor by the federal government or a
375.2 federal agency if the individual is providing services under the direction and control of
375.3 the employer;

375.4 (2) a student or intern, having graduated within the past six months, or currently
375.5 enrolled in an ACGC-accredited genetic counseling educational program providing
375.6 genetic counseling services that are an integral part of the student's or intern's course
375.7 of study, are performed under the direct supervision of a licensed genetic counselor or
375.8 physician who is on duty in the assigned patient care area, and the student is identified by
375.9 the title "genetic counseling intern";

375.10 (3) a visiting ABGC- or ABMG-certified genetic counselor working as a consultant
375.11 in this state who permanently resides outside of the state, or the occasional use of services
375.12 from organizations from outside of the state that employ ABGC- or ABMG-certified
375.13 genetic counselors. This is limited to practicing for 30 days total within one calendar year.
375.14 Certified genetic counselors from outside of the state working as a consultant in this state
375.15 must be licensed in their state of residence if that credential is available; or

375.16 (4) an individual who is licensed to practice medicine under chapter 147.

375.17 Subd. 4. **Sanctions.** An individual who violates this section is guilty of a
375.18 misdemeanor and shall be subject to sanctions or actions according to section 214.11.

375.19 Sec. 4. **[147F.07] LICENSURE REQUIREMENTS.**

375.20 Subdivision 1. **General requirements for licensure.** To be eligible for licensure, an
375.21 applicant, with the exception of those seeking licensure by reciprocity under subdivision
375.22 2, must submit to the board:

375.23 (1) a completed application on forms provided by the board along with all fees
375.24 required under section 147F.17. The applicant must include:

375.25 (i) the applicant's name, Social Security number, home address and telephone
375.26 number, and business address and telephone number if currently employed;

375.27 (ii) the name and location of the genetic counseling or medical program the applicant
375.28 completed;

375.29 (iii) a list of degrees received from other educational institutions;

375.30 (iv) a description of the applicant's professional training;

375.31 (v) a list of registrations, certifications, and licenses held in other jurisdictions;

375.32 (vi) a description of any other jurisdiction's refusal to credential the applicant;

375.33 (vii) a description of all professional disciplinary actions initiated against the
375.34 applicant in any jurisdiction; and

- 376.1 (viii) any history of drug or alcohol abuse, and any misdemeanor, gross
376.2 misdemeanor, or felony conviction;
- 376.3 (2) evidence of graduation from an education program accredited by the ACGC or
376.4 its predecessor or successor organization;
- 376.5 (3) a verified copy of a valid and current certification issued by the ABGC or ABMG
376.6 as a certified genetic counselor, or by the ABMG as a certified medical geneticist;
- 376.7 (4) additional information as requested by the board, including any additional
376.8 information necessary to ensure that the applicant is able to practice with reasonable skill
376.9 and safety to the public;
- 376.10 (5) a signed statement verifying that the information in the application is true and
376.11 correct to the best of the applicant's knowledge and belief; and
- 376.12 (6) a signed waiver authorizing the board to obtain access to the applicant's records
376.13 in this or any other state in which the applicant completed an educational program or
376.14 engaged in the practice of genetic counseling.
- 376.15 Subd. 2. **Licensure by reciprocity.** To be eligible for licensure by reciprocity,
376.16 the applicant must hold a current genetic counselor or medical geneticist registration
376.17 or license in another state, the District of Columbia, or a territory of the United States,
376.18 whose standards for registration or licensure are at least equivalent to those of Minnesota,
376.19 and must:
- 376.20 (1) submit the application materials and fees as required by subdivision 1, clauses
376.21 (1), (2), and (4) to (6);
- 376.22 (2) provide a verified copy from the appropriate government body of a current
376.23 registration or license for the practice of genetic counseling in another jurisdiction that has
376.24 initial registration or licensing requirements equivalent to or higher than the requirements
376.25 in subdivision 1; and
- 376.26 (3) provide letters of verification from the appropriate government body in each
376.27 jurisdiction in which the applicant holds a registration or license. Each letter must state
376.28 the applicant's name, date of birth, registration or license number, date of issuance, a
376.29 statement regarding disciplinary actions, if any, taken against the applicant, and the terms
376.30 under which the registration or license was issued.
- 376.31 Subd. 3. **Licensure by equivalency.** (a) The board may grant a license to an
376.32 individual who does not meet the certification requirements in subdivision 1 but who
376.33 has been employed as a genetic counselor for a minimum of ten years and provides the
376.34 following documentation to the board:
- 376.35 (1) proof of a master's or higher degree in genetics or related field of study from an
376.36 accredited educational institution;

377.1 (2) proof that the individual has never failed the ABGC or ABMG certification
377.2 examination;

377.3 (3) three letters of recommendation, with at least one from an individual eligible
377.4 for licensure under this chapter, and at least one from an individual certified as a genetic
377.5 counselor by the ABGC or ABMG or an individual certified as a medical geneticist by
377.6 the ABMG. An individual who submits a letter of recommendation must have worked
377.7 with the applicant in an employment setting during the past ten years and must attest to
377.8 the applicant's competency; and

377.9 (4) documentation of the completion of 100 hours of NSGC-approved continuing
377.10 education credits within the past five years.

377.11 (b) This subdivision expires January 1, 2018.

377.12 Subd. 4. **License expiration.** A genetic counselor license shall be valid for one
377.13 year from the date of issuance.

377.14 Subd. 5. **License renewal.** To be eligible for license renewal, a licensed genetic
377.15 counselor must submit to the board:

377.16 (1) a renewal application on a form provided by the board;

377.17 (2) the renewal fee required under section 147F.17;

377.18 (3) evidence of compliance with the continuing education requirements in section
377.19 147F.11; and

377.20 (4) any additional information requested by the board.

377.21 Sec. 5. **[147F.09] BOARD ACTION ON APPLICATIONS FOR LICENSURE.**

377.22 (a) The board shall act on each application for licensure according to paragraphs
377.23 (b) to (d).

377.24 (b) The board shall determine if the applicant meets the requirements for licensure
377.25 under section 147F.07. The board may investigate information provided by an applicant to
377.26 determine whether the information is accurate and complete.

377.27 (c) The board shall notify each applicant in writing of action taken on the application,
377.28 the grounds for denying licensure if a license is denied, and the applicant's right to review
377.29 the board's decision under paragraph (d).

377.30 (d) Applicants denied licensure may make a written request to the board, within 30
377.31 days of the board's notice, to appear before the advisory council and for the advisory
377.32 council to review the board's decision to deny the applicant's license. After reviewing the
377.33 denial, the advisory council shall make a recommendation to the board as to whether
377.34 the denial shall be affirmed. Each applicant is allowed only one request for review per
377.35 licensure period.

378.1 Sec. 6. **[147F.11] CONTINUING EDUCATION REQUIREMENTS.**

378.2 (a) A licensed genetic counselor must complete a minimum of 25 hours of NSGC-
378.3 or ABMG-approved continuing education units every two years. If a licensee's renewal
378.4 term is prorated to be more or less than one year, the required number of continuing
378.5 education units is prorated proportionately.

378.6 (b) The board may grant a variance to the continuing education requirements
378.7 specified in this section if a licensee demonstrates to the satisfaction of the board that the
378.8 licensee is unable to complete the required number of educational units during the renewal
378.9 term. The board may allow the licensee to complete the required number of continuing
378.10 education units within a time frame specified by the board. In no case shall the board
378.11 allow the licensee to complete less than the required number of continuing education units.

378.12 Sec. 7. **[147F.13] DISCIPLINE; REPORTING.**

378.13 For purposes of this chapter, licensed genetic counselors and applicants are subject
378.14 to sections 147.091 to 147.162.

378.15 Sec. 8. **[147F.15] LICENSED GENETIC COUNSELOR ADVISORY COUNCIL.**

378.16 Subdivision 1. **Membership.** The board shall appoint a five-member Licensed
378.17 Genetic Counselor Advisory Council. One member must be a licensed physician with
378.18 experience in genetics, three members must be licensed genetic counselors, and one
378.19 member must be a public member.

378.20 Subd. 2. **Organization.** The advisory council shall be organized and administered
378.21 as provided in section 15.059.

378.22 Subd. 3. **Duties.** The advisory council shall:

378.23 (1) advise the board regarding standards for licensed genetic counselors;

378.24 (2) provide for distribution of information regarding licensed genetic counselor
378.25 practice standards;

378.26 (3) advise the board on enforcement of this chapter;

378.27 (4) review applications and recommend granting or denying licensure or license
378.28 renewal;

378.29 (5) advise the board on issues related to receiving and investigating complaints,
378.30 conducting hearings, and imposing disciplinary action in relation to complaints against
378.31 licensed genetic counselors; and

378.32 (6) perform other duties authorized for advisory councils under chapter 214, as
378.33 directed by the board.

379.1 Subd. 4. **Expiration.** Notwithstanding section 15.059, the advisory council does
379.2 not expire.

379.3 Sec. 9. **[147F.17] FEES.**

379.4 Subdivision 1. **Fees.** Fees are as follows:

379.5 (1) license application fee, \$200;

379.6 (2) initial licensure and annual renewal, \$150; and

379.7 (3) late fee, \$75.

379.8 Subd. 2. **Proration of fees.** The board may prorate the initial license fee. All
379.9 licensees are required to pay the full fee upon license renewal.

379.10 Subd. 3. **Penalty for late renewals.** An application for registration renewal
379.11 submitted after the deadline must be accompanied by a late fee in addition to the required
379.12 fees.

379.13 Subd. 4. **Nonrefundable fees.** All fees are nonrefundable.

379.14 Subd. 5. **Deposit.** Fees collected by the board under this section shall be deposited
379.15 in the state government special revenue fund.

379.16 **ORTHOTICS, PEDORTHICS, AND PROSTHETICS**

379.17 Sec. 10. **[153B.10] SHORT TITLE.**

379.18 Chapter 153B may be cited as the "Minnesota Orthotist, Prosthetist, and Pedorthist
379.19 Practice Act."

379.20 Sec. 11. **[153B.15] DEFINITIONS.**

379.21 Subdivision 1. **Application.** For purposes of this chapter, the following words
379.22 have the meanings given.

379.23 Subd. 2. **Advisory council.** "Advisory council" means the Orthotics, Prosthetics,
379.24 and Pedorthics Advisory Council established under section 153B.25.

379.25 Subd. 3. **Board.** "Board" means the Board of Podiatric Medicine.

379.26 Subd. 4. **Custom-fabricated device.** "Custom-fabricated device" means an orthosis,
379.27 prosthesis, or pedorthic device for use by a patient that is fabricated to comprehensive
379.28 measurements or a mold or patient model in accordance with a prescription and which
379.29 requires on-site or in-person clinical and technical judgment in its design, fabrication,
379.30 and fitting.

379.31 Subd. 5. **Licensed orthotic-prosthetic assistant.** "Licensed orthotic-prosthetic
379.32 assistant" or "assistant" means a person, licensed by the board, who is educated and
379.33 trained to participate in comprehensive orthotic and prosthetic care while under the

380.1 supervision of a licensed orthotist or licensed prosthetist. Assistants may perform orthotic
380.2 and prosthetic procedures and related tasks in the management of patient care. The
380.3 assistant may fabricate, repair, and maintain orthoses and prostheses. The use of the title
380.4 "orthotic-prosthetic assistant" or representations to the public is limited to a person who is
380.5 licensed under this chapter as an orthotic-prosthetic assistant.

380.6 Subd. 6. **Licensed orthotic fitter.** "Licensed orthotic fitter" or "fitter" means a
380.7 person licensed by the board who is educated and trained in providing certain orthoses,
380.8 and is trained to conduct patient assessments, formulate treatment plans, implement
380.9 treatment plans, perform follow-up, and practice management pursuant to a prescription.
380.10 An orthotic fitter must be competent to fit certain custom-fitted, prefabricated, and
380.11 off-the-shelf orthoses as follows:

- 380.12 (1) cervical orthoses, except those used to treat an unstable cervical condition;
380.13 (2) prefabricated orthoses for the upper and lower extremities, except those used in:
380.14 (i) the initial or acute treatment of long bone fractures and dislocations;
380.15 (ii) therapeutic shoes and inserts needed as a result of diabetes; and
380.16 (iii) functional electrical stimulation orthoses;
380.17 (3) prefabricated spinal orthoses, except those used in the treatment of scoliosis or
380.18 unstable spinal conditions, including halo cervical orthoses; and
380.19 (4) trusses.

380.20 The use of the title "orthotic fitter" or representations to the public is limited to a person
380.21 who is licensed under this chapter as an orthotic fitter.

380.22 Subd. 7. **Licensed orthotist.** "Licensed orthotist" means a person licensed by
380.23 the board who is educated and trained to practice orthotics, which includes managing
380.24 comprehensive orthotic patient care pursuant to a prescription. The use of the title
380.25 "orthotist" or representations to the public is limited to a person who is licensed under
380.26 this chapter as an orthotist.

380.27 Subd. 8. **Licensed pedorthist.** "Licensed pedorthist" means a person licensed by
380.28 the board who is educated and trained to manage comprehensive pedorthic patient care
380.29 and who performs patient assessments, formulates and implements treatment plans, and
380.30 performs follow-up and practice management pursuant to a prescription. A pedorthist may
380.31 fit, fabricate, adjust, or modify devices within the scope of the pedorthist's education and
380.32 training. Use of the title "pedorthist" or representations to the public is limited to a person
380.33 who is licensed under this chapter as a pedorthist.

380.34 Subd. 9. **Licensed prosthetist.** "Licensed prosthetist" means a person licensed by
380.35 the board who is educated and trained to manage comprehensive prosthetic patient care,
380.36 and who performs patient assessments, formulates and implements treatment plans, and

381.1 performs follow-up and practice management pursuant to a prescription. Use of the title
381.2 "prosthetist" or representations to the public is limited to a person who is licensed under
381.3 this chapter as a prosthetist.

381.4 Subd. 10. **Licensed prosthetist orthotist.** "Licensed prosthetist orthotist" means a
381.5 person licensed by the board who is educated and trained to manage comprehensive
381.6 prosthetic and orthotic patient care, and who performs patient assessments, formulates and
381.7 implements treatment plans, and performs follow-up and practice management pursuant to
381.8 a prescription. Use of the title "prosthetist orthotist" or representations to the public is
381.9 limited to a person who is licensed under this chapter as a prosthetist orthotist.

381.10 Subd. 11. **NCOPE.** "NCOPE" means National Commission on Orthotic and
381.11 Prosthetic Education, an accreditation program that ensures educational institutions and
381.12 residency programs meet the minimum standards of quality to prepare individuals to enter
381.13 the orthotic, prosthetic, and pedorthic professions.

381.14 Subd. 12. **Orthosis.** "Orthosis" means an external device that is custom-fabricated
381.15 or custom-fitted to a specific patient based on the patient's unique physical condition and
381.16 is applied to a part of the body to help correct a deformity, provide support and protection,
381.17 restrict motion, improve function, or relieve symptoms of a disease, syndrome, injury, or
381.18 postoperative condition.

381.19 Subd. 13. **Orthotics.** "Orthotics" means the science and practice of evaluating,
381.20 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing an orthosis
381.21 pursuant to a prescription. The practice of orthotics includes providing the initial training
381.22 necessary for fitting an orthotic device for the support, correction, or alleviation of
381.23 neuromuscular or musculoskeletal dysfunction, disease, injury, or deformity.

381.24 Subd. 14. **Over-the-counter.** "Over-the-counter" means a prefabricated,
381.25 mass-produced item that is prepackaged, requires no professional advice or judgment in
381.26 size selection or use, and is currently available at retail stores without a prescription.
381.27 Over-the-counter items are not regulated by this chapter.

381.28 Subd. 15. **Off-the-shelf.** "Off-the-shelf" means a prefabricated device sized or
381.29 modified for the patient's use pursuant to a prescription and that requires changes to be
381.30 made by a qualified practitioner to achieve an individual fit, such as requiring the item
381.31 to be trimmed, bent, or molded with or without heat, or requiring any other alterations
381.32 beyond self adjustment.

381.33 Subd. 16. **Pedorthic device.** "Pedorthic device" means below-the-ankle partial
381.34 foot prostheses for transmetatarsal and more distal amputations, foot orthoses, and
381.35 subtalar-control foot orthoses to control the range of motion of the subtalar joint.
381.36 A prescription is required for any pedorthic device, modification, or prefabricated

382.1 below-the-knee orthosis addressing a medical condition that originates at the ankle or
382.2 below. Pedorthic devices do not include nontherapeutic inlays or footwear regardless
382.3 of method of manufacture; unmodified, nontherapeutic over-the-counter shoes; or
382.4 prefabricated foot care products.

382.5 Subd. 17. **Pedorthics.** "Pedorthics" means the science and practice of evaluating,
382.6 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing a pedorthic
382.7 device pursuant to a prescription for the correction or alleviation of neuromuscular or
382.8 musculoskeletal dysfunction, disease, injury, or deformity. The practice of pedorthics
382.9 includes providing patient care and services pursuant to a prescription to prevent or
382.10 ameliorate painful or disabling conditions of the foot and ankle.

382.11 Subd. 18. **Prescription.** "Prescription" means an order deemed medically necessary
382.12 by a physician, podiatric physician, osteopathic physician, or a licensed health care
382.13 provider who has authority in this state to prescribe orthotic and prosthetic devices,
382.14 supplies, and services.

382.15 Subd. 19. **Prosthesis.** "Prosthesis" means a custom-designed, fabricated, fitted, or
382.16 modified device to treat partial or total limb loss for purposes of restoring physiological
382.17 function or cosmesis. Prosthesis does not include artificial eyes, ears, fingers, or toes;
382.18 dental appliances; external breast prosthesis; or cosmetic devices that do not have a
382.19 significant impact on the musculoskeletal functions of the body.

382.20 Subd. 20. **Prosthetics.** "Prosthetics" means the science and practice of evaluating,
382.21 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing a prosthesis
382.22 pursuant to a prescription. It includes providing the initial training necessary to fit a
382.23 prosthesis in order to replace external parts of a human body lost due to amputation,
382.24 congenital deformities, or absence.

382.25 Subd. 21. **Resident.** "Resident" means a person who has completed a
382.26 NCOPE-approved education program in orthotics or prosthetics and is receiving clinical
382.27 training in a residency accredited by NCOPE.

382.28 Subd. 22. **Residency.** "Residency" means a minimum of an NCOPE-approved
382.29 program to acquire practical clinical training in orthotics and prosthetics in a patient
382.30 care setting.

382.31 Subd. 23. **Supervisor.** "Supervisor" means the licensed orthotist, prosthetist, or
382.32 pedorthist who oversees and is responsible for the delivery of appropriate, effective,
382.33 ethical, and safe orthotic, prosthetic, or pedorthic patient care.

382.34 Sec. 12. **[153B.20] EXCEPTIONS.**

382.35 Nothing in this chapter shall prohibit:

- 383.1 (1) a physician, osteopathic physician, or podiatric physician licensed by the state of
383.2 Minnesota from providing services within the physician's scope of practice;
- 383.3 (2) a health care professional licensed by the state of Minnesota, including, but not
383.4 limited to, chiropractors, physical therapists, and occupational therapy practitioners from
383.5 providing services within the professional's scope of practice, or an individual working
383.6 under the supervision of a licensed physician or podiatric physician;
- 383.7 (3) the practice of orthotics, prosthetics, or pedorthics by a person who is employed
383.8 by the federal government or any bureau, division, or agency of the federal government
383.9 while in the discharge of the employee's official duties;
- 383.10 (4) the practice of orthotics, prosthetics, or pedorthics by:
- 383.11 (i) a student enrolled in an accredited or approved orthotics, prosthetics, or
383.12 pedorthics education program who is performing activities required by the program;
- 383.13 (ii) a resident enrolled in an NCOPE-accredited residency program; or
- 383.14 (iii) a person working in a qualified, supervised work experience or internship who
383.15 is obtaining the clinical experience necessary for licensure under this chapter; or
- 383.16 (5) an orthotist, prosthetist, prosthetist orthotist, pedorthist, assistant, or fitter who is
383.17 licensed in another state or territory of the United States or in another country that has
383.18 equivalent licensure requirements as approved by the board from providing services within
383.19 the professional's scope of practice subject to this chapter, if the individual is qualified and
383.20 has applied for licensure under this chapter. The individual shall be allowed to practice for
383.21 no longer than six months following the filing of the application for licensure, unless the
383.22 individual withdraws the application for licensure or the board denies the license.

383.23 **Sec. 13. [153B.25] ORTHOTICS, PROSTHETICS, AND PEDORTHICS**
383.24 **ADVISORY COUNCIL.**

- 383.25 Subdivision 1. **Creation; membership.** (a) There is established an Orthotics,
383.26 Prosthetics, and Pedorthics Advisory Council that shall consist of seven voting members
383.27 appointed by the board. Five members shall be licensed and practicing orthotists,
383.28 prosthetists, or pedorthists. Each profession shall be represented on the advisory council.
383.29 One member shall be a Minnesota-licensed doctor of podiatric medicine who is also a
383.30 member of the Board of Podiatric Medicine, and one member shall be a public member.
- 383.31 (b) The council shall be organized and administered under section 15.059.
- 383.32 Subd. 2. **Duties.** The advisory council shall:
- 383.33 (1) advise the board on enforcement of the provisions contained in this chapter;

384.1 (2) review reports of investigations or complaints relating to individuals and make
384.2 recommendations to the board as to whether a license should be denied or disciplinary
384.3 action taken against an individual;

384.4 (3) advise the board regarding standards for licensure of professionals under this
384.5 chapter; and

384.6 (4) perform other duties authorized for advisory councils by chapter 214, as directed
384.7 by the board.

384.8 Subd. 3. **Chair.** The council must elect a chair from among its members.

384.9 Subd. 4. **Administrative provisions.** The Board of Podiatric Medicine must
384.10 provide meeting space and administrative services for the council.

384.11 Sec. 14. **[153B.30] LICENSURE.**

384.12 Subdivision 1. **Application.** An application for a license shall be submitted to the
384.13 board in the format required by the board and shall be accompanied by the required fee,
384.14 which is nonrefundable.

384.15 Subd. 2. **Qualifications.** (a) To be eligible for licensure as an orthotist, prosthetist,
384.16 or prosthetist orthotist, an applicant shall meet orthotist, prosthetist, or prosthetist orthotist
384.17 certification requirements of either the American Board for Certification in Orthotics,
384.18 Prosthetics, and Pedorthics or the Board of Certification/Accreditation requirements in
384.19 effect at the time of the individual's application for licensure and be in good standing
384.20 with the certifying board.

384.21 (b) To be eligible for licensure as a pedorthist, an applicant shall meet the pedorthist
384.22 certification requirements of either the American Board for Certification in Orthotics,
384.23 Prosthetics, and Pedorthics or the Board of Certification/Accreditation that are in effect
384.24 at the time of the individual's application for licensure and be in good standing with
384.25 the certifying board.

384.26 (c) To be eligible for licensure as an orthotic or prosthetic assistant, an applicant shall
384.27 meet the orthotic or prosthetic assistant certification requirements of the American Board
384.28 for Certification in Orthotics, Prosthetics, and Pedorthics that are in effect at the time of
384.29 the individual's application for licensure and be in good standing with the certifying board.

384.30 (d) To be eligible for licensure as an orthotic fitter, an applicant shall meet the
384.31 orthotic fitter certification requirements of either the American Board for Certification in
384.32 Orthotics, Prosthetics, and Pedorthics or the Board of Certification/Accreditation that are
384.33 in effect at the time of the individual's application for licensure and be in good standing
384.34 with the certifying board.

385.1 Subd. 3. **License term.** A license to practice is valid for a term of up to 24 months
385.2 beginning on January 1 or commencing after initially fulfilling the license requirements
385.3 and ending on December 31 of the following year.

385.4 Sec. 15. **[153B.35] EMPLOYMENT BY AN ACCREDITED FACILITY; SCOPE**
385.5 **OF PRACTICE.**

385.6 A licensed orthotist, prosthetist, pedorthist, assistant, or orthotic fitter may provide
385.7 limited, supervised orthotic or prosthetic patient care services beyond their licensed scope
385.8 of practice if all of the following conditions are met:

385.9 (1) the licensee is employed by a patient care facility that is accredited by a national
385.10 accrediting organization in orthotics, prosthetics, and pedorthics;

385.11 (2) written objective criteria are documented by the accredited facility to describe
385.12 the knowledge and skills required by the licensee to demonstrate competency to provide
385.13 additional specific and limited orthotic or prosthetic patient care services that are outside
385.14 the licensee's scope of practice;

385.15 (3) the licensee provides orthotic or prosthetic patient care only at the direction of a
385.16 supervisor who is licensed as an orthotist, pedorthist, or prosthetist who is employed by
385.17 the facility to provide the specific orthotic or prosthetic patient care or services that are
385.18 outside the licensee's scope of practice; and

385.19 (4) the supervised orthotic or prosthetic patient care occurs in compliance with
385.20 facility accreditation standards.

385.21 Sec. 16. **[153B.40] CONTINUING EDUCATION.**

385.22 Subdivision 1. **Requirement.** Each licensee shall obtain the number of continuing
385.23 education hours required by the certifying board to maintain certification status pursuant
385.24 to the specific license category.

385.25 Subd. 2. **Proof of attendance.** A licensee must submit to the board proof of
385.26 attendance at approved continuing education programs during the license renewal period
385.27 in which it was attended in the form of a certificate, statement of continuing education
385.28 credits from the American Board for Certification in Orthotics, Prosthetics, and Pedorthics
385.29 or the Board of Certification/Accreditation, descriptive receipt, or affidavit. The board
385.30 may conduct random audits.

385.31 Subd. 3. **Extension of continuing education requirements.** For good cause, a
385.32 licensee may apply to the board for a six-month extension of the deadline for obtaining
385.33 the required number of continuing education credits. No more than two consecutive

386.1 extensions may be granted. For purposes of this subdivision, "good cause" includes
386.2 unforeseen hardships such as illness, family emergency, or military call-up.

386.3 Sec. 17. **[153B.45] LICENSE RENEWAL.**

386.4 Subdivision 1. **Submission of license renewal application.** A licensee must submit
386.5 to the board a license renewal application on a form provided by the board together with
386.6 the license renewal fee. The completed form must be postmarked no later than January 1
386.7 in the year of renewal. The form must be signed by the licensee in the place provided for
386.8 the renewal applicant's signature, include evidence of participation in approved continuing
386.9 education programs, and any other information as the board may reasonably require.

386.10 Subd. 2. **Renewal application postmarked after January 1.** A renewal application
386.11 postmarked after January 1 in the renewal year shall be returned to the licensee for addition
386.12 of the late renewal fee. A license renewal application postmarked after January 1 in the
386.13 renewal year is not complete until the late renewal fee has been received by the board.

386.14 Subd. 3. **Failure to submit renewal application.** (a) At any time after January 1 of
386.15 the applicable renewal year, the board shall send notice to a licensee who has failed to
386.16 apply for license renewal. The notice shall be mailed to the licensee at the last address on
386.17 file with the board and shall include the following information:

386.18 (1) that the licensee has failed to submit application for license renewal;

386.19 (2) the amount of renewal and late fees;

386.20 (3) information about continuing education that must be submitted in order for
386.21 the license to be renewed;

386.22 (4) that the licensee must respond within 30 calendar days after the notice was sent
386.23 by the board; and

386.24 (5) that the licensee may voluntarily terminate the license by notifying the board
386.25 or may apply for license renewal by sending the board a completed renewal application,
386.26 license renewal and late fees, and evidence of compliance with continuing education
386.27 requirements.

386.28 (b) Failure by the licensee to notify the board of the licensee's intent to voluntarily
386.29 terminate the license or to submit a license renewal application shall result in expiration
386.30 of the license and termination of the right to practice. The expiration of the license and
386.31 termination of the right to practice shall not be considered disciplinary action against the
386.32 licensee.

386.33 (c) A license that has been expired under this subdivision may be reinstated.

386.34 Sec. 18. **[153B.50] NAME AND ADDRESS CHANGE.**

387.1 (a) A licensee who has changed names must notify the board in writing within 90
387.2 days and request a revised license. The board may require official documentation of the
387.3 legal name change.

387.4 (b) A licensee must maintain with the board a correct mailing address to receive
387.5 board communications and notices. A licensee who has changed addresses must notify the
387.6 board in writing within 90 days. Mailing a notice by United States mail to a licensee's last
387.7 known mailing address constitutes valid mailing.

387.8 Sec. 19. **[153B.55] INACTIVE STATUS.**

387.9 (a) A licensee who notifies the board in the format required by the board may elect
387.10 to place the licensee's credential on inactive status and shall be excused from payment
387.11 of renewal fees until the licensee notifies the board in the format required by the board
387.12 of the licensee's plan to return to practice.

387.13 (b) A person requesting restoration from inactive status shall be required to pay the
387.14 current renewal fee and comply with section 153B.45.

387.15 (c) A person whose license has been placed on inactive status shall not practice in
387.16 this state.

387.17 Sec. 20. **[153B.60] LICENSE LAPSE DUE TO MILITARY SERVICE.**

387.18 A licensee whose license has expired while on active duty in the armed forces of the
387.19 United States, with the National Guard while called into service or training, or while in
387.20 training or education preliminary to induction into military service may have the licensee's
387.21 license renewed or restored without paying a late fee or license restoration fee if the licensee
387.22 provides verification to the board within two years of the termination of service obligation.

387.23 Sec. 21. **[153B.65] ENDORSEMENT.**

387.24 The board may license, without examination and on payment of the required fee,
387.25 an applicant who is an orthotist, prosthetist, prosthetist orthotist, pedorthist, assistant, or
387.26 fitter who is certified by the American Board for Certification in Orthotics, Prosthetics,
387.27 and Pedorthics or a national certification organization with educational, experiential, and
387.28 testing standards equal to or higher than the licensing requirements in Minnesota.

387.29 Sec. 22. **[153B.70] GROUNDS FOR DISCIPLINARY ACTION.**

387.30 (a) The board may refuse to issue or renew a license, revoke or suspend a license, or
387.31 place on probation or reprimand a licensee for one or any combination of the following:

387.32 (1) making a material misstatement in furnishing information to the board;

- 388.1 (2) violating or intentionally disregarding the requirements of this chapter;
388.2 (3) conviction of a crime, including a finding or verdict of guilt, an admission of
388.3 guilt, or a no-contest plea, in this state or elsewhere, reasonably related to the practice
388.4 of the profession. Conviction, as used in this clause, includes a conviction of an offense
388.5 which, if committed in this state, would be deemed a felony, gross misdemeanor, or
388.6 misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where
388.7 a finding or verdict of guilty is made or returned but the adjudication of guilt is either
388.8 withheld or not entered;
388.9 (4) making a misrepresentation in order to obtain or renew a license;
388.10 (5) displaying a pattern of practice or other behavior that demonstrates incapacity or
388.11 incompetence to practice;
388.12 (6) aiding or assisting another person in violating the provisions of this chapter;
388.13 (7) failing to provide information within 60 days in response to a written request from
388.14 the board, including documentation of completion of continuing education requirements;
388.15 (8) engaging in dishonorable, unethical, or unprofessional conduct;
388.16 (9) engaging in conduct of a character likely to deceive, defraud, or harm the public;
388.17 (10) inability to practice due to habitual intoxication, addiction to drugs, or mental
388.18 or physical illness;
388.19 (11) being disciplined by another state or territory of the United States, the federal
388.20 government, a national certification organization, or foreign nation, if at least one of the
388.21 grounds for the discipline is the same or substantially equivalent to one of the grounds
388.22 in this section;
388.23 (12) directly or indirectly giving to or receiving from a person, firm, corporation,
388.24 partnership, or association a fee, commission, rebate, or other form of compensation for
388.25 professional services not actually or personally rendered;
388.26 (13) incurring a finding by the board that the licensee, after the licensee has been
388.27 placed on probationary status, has violated the conditions of the probation;
388.28 (14) abandoning a patient or client;
388.29 (15) willfully making or filing false records or reports in the course of the licensee's
388.30 practice including, but not limited to, false records or reports filed with state or federal
388.31 agencies;
388.32 (16) willfully failing to report child maltreatment as required under the Maltreatment
388.33 of Minors Act, section 626.556; or
388.34 (17) soliciting professional services using false or misleading advertising.
388.35 (b) A license to practice is automatically suspended if (1) a guardian of a licensee is
388.36 appointed by order of a court pursuant to sections 524.5-101 to 524.5-502, for reasons

389.1 other than the minority of the licensee, or (2) the licensee is committed by order of a court
389.2 pursuant to chapter 253B. The license remains suspended until the licensee is restored to
389.3 capacity by a court and, upon petition by the licensee, the suspension is terminated by the
389.4 board after a hearing. The licensee may be reinstated to practice, either with or without
389.5 restrictions, by demonstrating clear and convincing evidence of rehabilitation. The
389.6 regulated person is not required to prove rehabilitation if the subsequent court decision
389.7 overturns previous court findings of public risk.

389.8 (c) If the board has probable cause to believe that a licensee or applicant has violated
389.9 paragraph (a), clause (10), it may direct the person to submit to a mental or physical
389.10 examination. For the purpose of this section, every person is deemed to have consented to
389.11 submit to a mental or physical examination when directed in writing by the board and to
389.12 have waived all objections to the admissibility of the examining physician's testimony or
389.13 examination report on the grounds that the testimony or report constitutes a privileged
389.14 communication. Failure of a regulated person to submit to an examination when directed
389.15 constitutes an admission of the allegations against the person, unless the failure was due to
389.16 circumstances beyond the person's control, in which case a default and final order may be
389.17 entered without the taking of testimony or presentation of evidence. A regulated person
389.18 affected under this paragraph shall at reasonable intervals be given an opportunity to
389.19 demonstrate that the person can resume the competent practice of the regulated profession
389.20 with reasonable skill and safety to the public. In any proceeding under this paragraph,
389.21 neither the record of proceedings nor the orders entered by the board shall be used against
389.22 a regulated person in any other proceeding.

389.23 (d) In addition to ordering a physical or mental examination, the board may,
389.24 notwithstanding section 13.384 or 144.293, or any other law limiting access to medical or
389.25 other health data, obtain medical data and health records relating to a licensee or applicant
389.26 without the person's or applicant's consent if the board has probable cause to believe that a
389.27 licensee is subject to paragraph (a), clause (10). The medical data may be requested
389.28 from a provider as defined in section 144.291, subdivision 2, paragraph (i), an insurance
389.29 company, or a government agency, including the Department of Human Services. A
389.30 provider, insurance company, or government agency shall comply with any written request
389.31 of the board under this section and is not liable in any action for damages for releasing the
389.32 data requested by the board if the data are released pursuant to a written request under this
389.33 section, unless the information is false and the provider giving the information knew, or
389.34 had reason to know, the information was false. Information obtained under this section
389.35 is private data on individuals as defined in section 13.02.

390.1 (e) If the board issues an order of immediate suspension of a license, a hearing must
390.2 be held within 30 days of the suspension and completed without delay.

390.3 **Sec. 23. [153B.75] INVESTIGATION; NOTICE AND HEARINGS.**

390.4 The board has the authority to investigate alleged violations of this chapter, conduct
390.5 hearings, and impose corrective or disciplinary action as provided in section 214.103.

390.6 **Sec. 24. [153B.80] UNLICENSED PRACTICE.**

390.7 Subdivision 1. **License required.** Effective January 1, 2018, no individual shall
390.8 practice as an orthotist, prosthetist, prosthetist orthotist, pedorthist, orthotic or prosthetic
390.9 assistant, or orthotic fitter, unless the individual holds a valid license issued by the board
390.10 under this chapter, except as permitted under section 153B.20 or 153B.35.

390.11 Subd. 2. **Designation.** No individual shall represent themselves to the public as
390.12 a licensed orthotist, prosthetist, prosthetist orthotist, pedorthist, orthotic or prosthetic
390.13 assistant, or an orthotic fitter, unless the individual is licensed under this chapter.

390.14 Subd. 3. **Penalties.** Any individual who violates this section is guilty of a
390.15 misdemeanor. The board shall have the authority to seek a cease and desist order against
390.16 any individual who is engaged in the unlicensed practice of a profession regulated by the
390.17 board under this chapter.

390.18 **Sec. 25. [153B.85] FEES.**

390.19 Subdivision 1. **Fees.** (a) The application fee for initial licensure shall not exceed
390.20 \$600.

390.21 (b) The biennial renewal fee for a license to practice as an orthotist, prosthetist,
390.22 prosthetist orthotist, or pedorthist shall not exceed \$600.

390.23 (c) The biennial renewal fee for a license to practice as an assistant or a fitter shall
390.24 not exceed \$300.

390.25 (d) The fee for license restoration shall not exceed \$600.

390.26 (e) The fee for license verification shall not exceed \$30.

390.27 (f) The fee to obtain a list of licensees shall not exceed \$25.

390.28 Subd. 2. **Proration of fees.** For the first renewal period following initial licensure,
390.29 the renewal fee is the fee specified in subdivision 1, paragraph (b) or (c), prorated to the
390.30 nearest dollar that is represented by the ratio of the number of days the license is held
390.31 in the initial licensure period to 730 days.

390.32 Subd. 3. **Late fee.** The fee for late license renewal is the license renewal fee in
390.33 effect at the time of renewal plus \$100.

391.1 Subd. 4. **Nonrefundable fees.** All fees are nonrefundable.

391.2 Subd. 5. **Deposit.** Fees collected by the board under this section shall be deposited
391.3 in the state government special revenue fund.

391.4 Sec. 26. Minnesota Statutes 2014, section 214.075, subdivision 3, is amended to read:

391.5 Subd. 3. **Consent form; fees; fingerprints.** (a) In order to effectuate the federal
391.6 and state level, fingerprint-based criminal background check, the applicant or licensee
391.7 must submit a completed criminal history records check consent form and a full set of
391.8 fingerprints to the respective health-related licensing board or a designee in the manner
391.9 and form specified by the board.

391.10 (b) The applicant or licensee is responsible for all fees associated with preparation of
391.11 the fingerprints, the criminal records check consent form, and the criminal background
391.12 check. The fees for the criminal records background check shall be set by the BCA and
391.13 the FBI and are not refundable. The fees shall be submitted to the respective health-related
391.14 licensing board by the applicant or licensee as prescribed by the respective board.

391.15 (c) All fees received by the health-related licensing boards under this subdivision
391.16 shall be deposited in a dedicated ~~account~~ accounts in the special revenue fund and are
391.17 appropriated to ~~the Board of Nursing Home Administrators for the administrative services~~
391.18 ~~unit~~ health-related licensing boards to pay for the criminal background checks conducted
391.19 by the Bureau of Criminal Apprehension and Federal Bureau of Investigation.

391.20 Sec. 27. **FIRST APPOINTMENTS, FIRST MEETING, AND FIRST CHAIR OF**
391.21 **THE ORTHOTICS, PROSTHETICS, AND PEDORTHICS ADVISORY COUNCIL.**

391.22 The Board of Podiatric Medicine shall make its first appointments authorized
391.23 under Minnesota Statutes, section 153B.25, to the Orthotics, Prosthetics, and Pedorthics
391.24 Advisory Council, by September 1, 2016. The board shall designate four of its first
391.25 appointees to serve terms that are coterminous with the governor. The chair of the Board
391.26 of Podiatric Medicine or the chair's designee shall convene the first meeting of the council
391.27 by November 1, 2016. The council must elect a chair from among its members at the first
391.28 meeting of the council.

391.29 Sec. 28. **INITIAL APPOINTMENTS; FIRST MEETING; AND FIRST CHAIR**
391.30 **OF THE LICENSED GENETIC COUNSELOR ADVISORY COUNCIL.**

391.31 The Board of Medical Practice shall make its first appointments authorized under
391.32 Minnesota Statutes, section 147F.15, to the Licensed Genetic Counselor Advisory Council
391.33 by December 1, 2016. The chair of the Board of Medical Practice or the chair's designee

392.1 shall convene the first meeting of the council by March 1, 2017. The council must elect a
 392.2 chair from its members at the first meeting of the council.

392.3 **ARTICLE 22**

392.4 **HUMAN SERVICES FORECAST ADJUSTMENTS**

392.5 Section 1. **HUMAN SERVICES APPROPRIATION.**

392.6 The sums shown in the columns marked "Appropriations" are added to or, if shown
 392.7 in parentheses, subtracted from the appropriations in Laws 2015, chapter 71, article 13,
 392.8 from the general fund or any fund named to the Department of Human Services for the
 392.9 purposes specified in this article, to be available for the fiscal year indicated for each
 392.10 purpose. The figures "2016" and "2017" used in this article mean that the appropriations
 392.11 listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017,
 392.12 respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017.
 392.13 "The biennium" is fiscal years 2016 and 2017.

392.14 **APPROPRIATIONS**
 392.15 **Available for the Year**
 392.16 **Ending June 30**
 392.17 **2016 2017**

392.18 **Sec. 2. COMMISSIONER OF HUMAN**
 392.19 **SERVICES**

392.20 **Subdivision 1. Total Appropriation \$ (615,912,000) \$ (518,891,000)**

392.21 **Appropriations by Fund**

	<u>2016</u>	<u>2017</u>
392.22 <u>General Fund</u>	<u>(307,806,000)</u>	<u>(246,029,000)</u>
392.23 <u>Health Care Access</u>		
392.24 <u>Fund</u>	<u>(289,770,000)</u>	<u>(277,101,000)</u>
392.25 <u>Federal TANF</u>	<u>(18,336,000)</u>	<u>4,239,000</u>

392.26 **Subd. 2. Forecasted Programs**

392.27 **(a) MFIP/DWP**

392.28 **Appropriations by Fund**

392.29 <u>General Fund</u>	<u>9,833,000</u>	<u>(8,799,000)</u>
392.30 <u>Federal TANF</u>	<u>(20,225,000)</u>	<u>4,212,000</u>

392.31 **(b) MFIP Child Care Assistance (23,094,000) (7,760,000)**

392.32 **(c) General Assistance (2,120,000) (1,078,000)**

392.33 **(d) Minnesota Supplemental Aid (1,613,000) (1,650,000)**

393.1	<u>(e) Group Residential Housing</u>	<u>(8,101,000)</u>	<u>(7,954,000)</u>
393.2	<u>(f) Northstar Care for Children</u>	<u>2,231,000</u>	<u>4,496,000</u>
393.3	<u>(g) MinnesotaCare</u>	<u>(227,821,000)</u>	<u>(230,027,000)</u>
393.4	<u>These appropriations are from the health care</u>		
393.5	<u>access fund.</u>		
393.6	<u>(h) Medical Assistance</u>		
393.7	<u>Appropriations by Fund</u>		
393.8	<u>General Fund</u>	<u>(294,773,000)</u>	<u>(243,700,000)</u>
393.9	<u>Health Care Access</u>		
393.10	<u>Fund</u>	<u>(61,949,000)</u>	<u>(47,074,000)</u>
393.11	<u>(i) Alternative Care Program</u>	<u>-0-</u>	<u>-0-</u>
393.12	<u>(j) CCDTF Entitlements</u>	<u>9,831,000</u>	<u>20,416,000</u>
393.13	<u>Subd. 3. Technical Activities</u>	<u>1,889,000</u>	<u>27,000</u>
393.14	<u>These appropriations are from the federal</u>		
393.15	<u>TANF fund.</u>		

393.16 Sec. 3. EFFECTIVE DATE.
 393.17 Sections 1 and 2 are effective the day following final enactment.

393.18 **ARTICLE 23**

393.19 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**

393.20 Section 1. HEALTH AND HUMAN SERVICES APPROPRIATIONS.

393.21 The sums shown in the columns marked "Appropriations" are added to or, if shown
 393.22 in parentheses, subtracted from the appropriations in Laws 2015, chapter 71, article 14, to
 393.23 the agencies and for the purposes specified in this article. The appropriations are from the
 393.24 general fund or other named fund and are available for the fiscal years indicated for each
 393.25 purpose. The figures "2016" and "2017" used in this article mean that the addition to or
 393.26 subtraction from the appropriation listed under them is available for the fiscal year ending
 393.27 June 30, 2016, or June 30, 2017, respectively. Supplemental appropriations and reductions
 393.28 to appropriations for the fiscal year ending June 30, 2016, are effective the day following
 393.29 final enactment unless a different effective date is explicit.

393.30 **APPROPRIATIONS**
 393.31 **Available for the Year**

394.1		<u>Ending June 30</u>	
394.2		<u>2016</u>	<u>2017</u>
394.3	Sec. 2. <u>COMMISSIONER OF HUMAN</u>		
394.4	<u>SERVICES</u>		
394.5	<u>Subdivision 1. Total Appropriation</u>	\$	\$
		<u>6,851,000</u>	<u>74,660,000</u>
394.6	<u>Appropriations by Fund</u>		
394.7		<u>2016</u>	<u>2017</u>
394.8	<u>General</u>	<u>6,851,000</u>	<u>73,923,000</u>
394.9	<u>Health Care Access</u>	<u>-0-</u>	<u>737,000</u>
394.10	<u>Subd. 2. Central Office Operations</u>		
394.11	<u>(a) Operations</u>		
394.12	<u>Appropriations by Fund</u>		
394.13	<u>General</u>	<u>-0-</u>	<u>558,000</u>
394.14	<u>Health Care Access</u>	<u>-0-</u>	<u>427,000</u>
394.15	<u>Base Adjustment.</u> The general fund base		
394.16	is decreased by \$482,000 in fiscal year		
394.17	2018 and \$484,000 in fiscal year 2019. The		
394.18	health care access fund base is decreased by		
394.19	\$376,000 in fiscal year 2018 and \$376,000 in		
394.20	fiscal year 2019.		
394.21	<u>(b) Children and Families</u>	<u>-0-</u>	<u>132,000</u>
394.22	<u>Base Adjustment.</u> The general fund base is		
394.23	decreased by \$132,000 in fiscal years 2018		
394.24	and 2019.		
394.25	<u>(c) Health Care</u>	<u>-0-</u>	<u>374,000</u>
394.26	<u>Base Adjustment.</u> The general fund base is		
394.27	decreased by \$43,000 in fiscal year 2018 and		
394.28	\$43,000 in fiscal year 2019.		
394.29	<u>(d) Continuing Care</u>	<u>-0-</u>	<u>1,000</u>
394.30	<u>Base Adjustment.</u> The general fund base is		
394.31	increased by \$1,000 in fiscal year 2018 and		
394.32	increased by \$3,000 in fiscal year 2019.		
394.33	<u>(e) Community Supports</u>	<u>-0-</u>	<u>74,000</u>

395.1 **Base Adjustment.** The general fund base
 395.2 is increased by \$469,000 in fiscal year 2018
 395.3 and \$429,000 in fiscal year 2019.

395.4 **Subd. 3. Forecasted Programs**

395.5 **(a) Northstar Care for Children** -0- -0-

395.6 **Base Adjustment.** The general fund base is
 395.7 increased by \$8,802,000 in fiscal year 2018
 395.8 and increased by \$10,927,000 in fiscal year
 395.9 2019.

395.10 **(b) MinnesotaCare** -0- 33,000

395.11 This appropriation is from the health care
 395.12 access fund.

395.13 **(c) Medical Assistance**

395.14 Appropriations by Fund

395.15 General -0- 5,092,000

395.16 Health Care Access -0- 277,000

395.17 **(d) Consolidated Chemical Dependency**
 395.18 **Treatment Fund** -0- 2,104,000

395.19 **CCDTF Transfer.** Notwithstanding
 395.20 Minnesota Statutes, section 254B.06,
 395.21 subdivision 1, in fiscal year 2017, the
 395.22 commissioner shall transfer \$2,000,000
 395.23 from the consolidated chemical dependency
 395.24 treatment fund administrative account in the
 395.25 special revenue fund to the general fund.

395.26 This is a onetime transfer.

395.27 **Subd. 4. Grant Programs**

395.28 **(a) Children's Services Grants** -0- 800,000

395.29 **American Indian Child Welfare Initiative.**
 395.30 \$800,000 in fiscal year 2017 is for planning
 395.31 efforts to expand the American Indian
 395.32 Child Welfare Initiative authorized under
 395.33 Minnesota Statutes, section 256.01,

396.1 subdivision 14b. Of this appropriation,
 396.2 \$400,000 is for grants to the Mille Lacs
 396.3 Band of Ojibwe and \$400,000 is for grants
 396.4 to the Red Lake Nation. This is a onetime
 396.5 appropriation.

396.6 **Base Adjustment.** The general fund base is
 396.7 decreased by \$800,000 in fiscal year 2018
 396.8 and \$800,000 in fiscal year 2019.

396.9 **(b) Child and Community Service Grants** -0- 1,900,000

396.10 **White Earth Band of Ojibwe Human**
 396.11 **Services Initiative Project.** \$1,400,000
 396.12 in fiscal year 2017 is for a grant to the
 396.13 White Earth Band of Ojibwe for the direct
 396.14 implementation and administrative costs of
 396.15 the White Earth Human Services Initiative
 396.16 Project authorized under Laws 2011, First
 396.17 Special Session chapter 9, article 9, section
 396.18 18.

396.19 **Red Lake Nation Human Services**
 396.20 **Initiative Project.** \$500,000 in fiscal year
 396.21 2017 is for a grant to the Red Lake Nation for
 396.22 the direct implementation and administrative
 396.23 costs of the Red Lake Human Services
 396.24 Initiative Project authorized under Minnesota
 396.25 Statutes, section 256.01, subdivision 2,
 396.26 paragraph (a), clause (7).

396.27 **(c) Child and Economic Support Grants** -0- 66,000

396.28 **Safe Harbor for Sexually Exploited Youth.**
 396.29 \$33,000 in fiscal year 2017 is for emergency
 396.30 shelter and transitional and long-term
 396.31 housing beds for sexually exploited youth
 396.32 and youth at risk of sexual exploitation, and
 396.33 for statewide youth outreach workers to
 396.34 connect sexually exploited youth with shelter

397.1 and services. The base for this appropriation
 397.2 is \$750,000 in fiscal year 2018 and \$750,000
 397.3 in fiscal year 2019. The commissioner shall
 397.4 not use any portion of this appropriation nor
 397.5 of the base amounts in fiscal year 2018 and
 397.6 fiscal year 2019 for administrative costs.

397.7 **Base Level Adjustment.** The general fund
 397.8 base is increased by \$2,134,000 in fiscal year
 397.9 2018 and \$2,134,000 in fiscal year 2019.

397.10 **(d) Adult Mental Health Grants** -0- 200,000

397.11 **Adult Mental Illness Crisis Housing**
 397.12 **Assistance Program.** The general fund
 397.13 appropriation for the adult mental illness
 397.14 crisis housing assistance program is
 397.15 decreased by \$300,000 in fiscal year 2017.
 397.16 The general fund appropriation is increased
 397.17 by \$300,000 in fiscal year 2017 for expanding
 397.18 eligibility to include persons with serious
 397.19 mental illness under Minnesota Statutes,
 397.20 section 245.99, subdivision 2.

397.21 **Integrated Behavioral Health Care**
 397.22 **Coordination Demonstration Project.**
 397.23 \$200,000 in fiscal year 2017 is for a grant
 397.24 to the Zumbro Valley Health Center. The
 397.25 grant shall be used to continue a pilot
 397.26 project to test an integrated behavioral
 397.27 health care coordination model. The grant
 397.28 recipient must report measurable outcomes
 397.29 to the commissioner of human services
 397.30 by December 1, 2018. This is a onetime
 397.31 appropriation and is available until June 30,
 397.32 2018.

397.33 **Base Adjustment.** The general fund base is
 397.34 decreased by \$200,000 in fiscal year 2018 and
 397.35 is decreased by \$200,000 in fiscal year 2019.

398.1	<u>(e) Child Mental Health Grants</u>	-0-	<u>33,000</u>
398.2	<u>School-Linked Mental Health Grants.</u>		
398.3	<u>\$33,000 in fiscal year 2017 is for children's</u>		
398.4	<u>mental health grants under Minnesota</u>		
398.5	<u>Statutes, section 245.4889, subdivision 1,</u>		
398.6	<u>paragraph (b), clause (8), for current grantees</u>		
398.7	<u>to expand services to school buildings,</u>		
398.8	<u>school districts, or counties that do not have</u>		
398.9	<u>school-linked mental health available, and</u>		
398.10	<u>to provide training to grantees on the use of</u>		
398.11	<u>evidence-based practices. The general fund</u>		
398.12	<u>base for this appropriation is \$1,450,000 in</u>		
398.13	<u>fiscal year 2018 and \$1,450,000 in fiscal year</u>		
398.14	<u>2019. The amount in fiscal year 2019 shall</u>		
398.15	<u>be awarded through a competitive process</u>		
398.16	<u>open to all eligible grantees as part of a new</u>		
398.17	<u>grant cycle. This appropriation does not</u>		
398.18	<u>include additional administrative money.</u>		
398.19	<u>Base Adjustment.</u> The general fund base is		
398.20	<u>increased by \$1,417,000 in fiscal years 2018</u>		
398.21	<u>and 2019.</u>		
398.22	<u>(f) Chemical Dependency Treatment Support</u>		
398.23	<u>Grants</u>	-0-	<u>34,000</u>
398.24	<u>Peer Specialists.</u> \$34,000 in fiscal year		
398.25	<u>2017 from the general fund is for grants</u>		
398.26	<u>to recovery community organizations to</u>		
398.27	<u>train, hire, and supervise peer specialists</u>		
398.28	<u>to work with underserved populations as</u>		
398.29	<u>part of the continuum of care for substance</u>		
398.30	<u>use disorders. Recovery community</u>		
398.31	<u>organizations located in Rochester,</u>		
398.32	<u>Moorhead, and the Twin Cities metropolitan</u>		
398.33	<u>area are eligible to receive grant funds. The</u>		
398.34	<u>general fund base for this appropriation is</u>		

399.1 \$725,000 in fiscal year 2018 and \$725,000 in
 399.2 fiscal year 2019.

399.3 **Base Adjustment.** The general fund base is
 399.4 increased by \$691,000 in fiscal years 2018
 399.5 and 2019.

399.6 **Subd. 5. DCT State-Operated Services**

399.7 **Allocation of Funds.** The commissioner may
 399.8 allocate the appropriations in this subdivision
 399.9 to ensure a safe environment at the Minnesota
 399.10 Security Hospital and other hospitals in direct
 399.11 care and treatment state-operated services.

399.12 Any reallocation of the appropriations under
 399.13 this subdivision must be reported in the
 399.14 report required under Minnesota Statutes,
 399.15 section 256.01, subdivision 41.

399.16 **(a) DCT State-Operated Services Mental**
 399.17 **Health**

1,256,000

33,830,000

399.18 **Restore Funds Transferred to Minnesota**
 399.19 **State-Operated Community Services.**

399.20 \$14,000,000 in fiscal year 2017 is to restore
 399.21 funds transferred to the enterprise fund for
 399.22 state-operated community services in fiscal
 399.23 year 2016. This is a onetime appropriation.

399.24 **Community Behavioral Health Hospitals**

399.25 **Full Capacity Staffing.** \$19,678,000 in
 399.26 fiscal year 2017 is to increase staffing to a
 399.27 level sufficient to operate the community
 399.28 behavioral health hospitals at full licensed
 399.29 capacity. The base for this appropriation
 399.30 is \$25,879,000 in fiscal year 2018 and
 399.31 \$25,879,000 in fiscal year 2019.

399.32 **Anoka-Metro Regional Treatment Center**

399.33 **Nursing Float Pool.** \$788,000 in fiscal
 399.34 year 2017 is for a nursing float pool for

400.1 weekend coverage at the Anoka-Metro
 400.2 Regional Treatment Center. The base for this
 400.3 appropriation is \$1,526,000 in fiscal year
 400.4 2018 and \$1,526,000 in fiscal year 2019.

400.5 **Anoka-Metro Regional Treatment Center**

400.6 **Increased Clinical Oversight. \$336,000**

400.7 in fiscal year 2017 is for increased clinical
 400.8 oversight at the Anoka-Metro Regional
 400.9 Treatment Center. The base for this
 400.10 appropriation is \$632,000 in fiscal year 2018
 400.11 and \$632,000 in fiscal year 2019.

400.12 **Base Adjustment.** The general fund base is

400.13 decreased by \$7,149,000 in fiscal year 2018
 400.14 and \$7,149,000 in fiscal year 2019.

400.15 **(b) DCT State-Operated Services Enterprise**
 400.16 **Services**

-0- 14,000,000

400.17 **State-Operated Community Services.**

400.18 \$14,000,000 in fiscal year 2017 is for
 400.19 the Minnesota state-operated community
 400.20 services program. This is a onetime
 400.21 appropriation. The commissioner must
 400.22 transfer \$14,000,000 in fiscal year 2017 to the
 400.23 enterprise fund for Minnesota state-operated
 400.24 community services. This is a onetime
 400.25 transfer.

400.26 **Base Adjustment.** The general fund base is

400.27 decreased by \$14,000,000 in fiscal year 2018
 400.28 and \$14,000,000 in fiscal year 2019.

400.29 **(c) DCT State-Operated Services Minnesota**
 400.30 **Security Hospital**

2,200,000 10,056,000

400.31 **Competency Restoration Program.**

400.32 \$6,754,000 in fiscal year 2017 is for the
 400.33 development of a new residential competency
 400.34 restoration program to be operated by
 400.35 state-operated forensic services. The

401.1 commissioner shall use this appropriation to
 401.2 make available 20 hospital beds at Anoka
 401.3 Metro Regional Treatment Center and
 401.4 12 secure beds at the Minnesota Security
 401.5 Hospital. The base for this appropriation
 401.6 is \$8,423,000 in fiscal year 2018 and
 401.7 \$8,423,000 in fiscal year 2019.

401.8 **Base Adjustment.** The general fund base is
 401.9 increased by \$2,490,000 in fiscal year 2018
 401.10 and \$2,490,000 in fiscal year 2019.

401.11 **Subd. 6. DCT Minnesota Sex Offender**
 401.12 **Program** 3,395,000 4,669,000

401.13 **Base Adjustment.** The general fund base
 401.14 is increased by \$788,000 in fiscal year 2018
 401.15 and \$788,000 in fiscal year 2019.

401.16 **Sec. 3. COMMISSIONER OF HEALTH**

401.17 **Subdivision 1. Total Appropriation** \$ -0- \$ 2,214,000

401.18	<u>Appropriations by Fund</u>		
401.19		<u>2016</u>	<u>2017</u>
401.20	<u>General</u>	<u>-0-</u>	<u>33,000</u>
401.21	<u>State Government</u>		
401.22	<u>Special Revenue</u>	<u>-0-</u>	<u>146,000</u>
401.23	<u>Health Care Access</u>	<u>-0-</u>	<u>2,035,000</u>

401.24 The appropriations for each purpose are
 401.25 shown in the following subdivisions.

401.26 **Subd. 2. Health Improvement**

401.27	<u>Appropriations by Fund</u>		
401.28	<u>General</u>	<u>-0-</u>	<u>33,000</u>
401.29	<u>Health Care Access</u>	<u>-0-</u>	<u>2,035,000</u>

401.30 **Safe Harbor for Sexually Exploited Youth.**
 401.31 \$33,000 in fiscal year 2017 is from the general
 401.32 fund for trauma-informed, culturally specific
 401.33 services for exploited youth. The base for
 401.34 this appropriation is \$750,000 in fiscal year
 401.35 2018 and \$750,000 in fiscal year 2019.

402.1 Neither the appropriation in fiscal year 2017
 402.2 nor the base amounts in fiscal years 2018 and
 402.3 2019 may be used for administration.

402.4 **Greater Minnesota Family Medicine**

402.5 **Residency.** \$1,035,000 in fiscal year 2017
 402.6 is from the health care access fund for the
 402.7 greater Minnesota family medicine residency
 402.8 grant program under Minnesota Statutes,
 402.9 section 144.1912. The commissioner may
 402.10 use up to \$35,000 for administration.

402.11 **Medical Education.** \$1,000,000 in fiscal
 402.12 year 2017 from the health care access fund
 402.13 is for the medical education program under
 402.14 Minnesota Statutes, section 62J.692.

402.15 **Base Adjustments.** The general fund base
 402.16 is increased by \$717,000 in fiscal year 2018
 402.17 and \$717,000 in fiscal year 2019.

402.18 **Subd. 3. Health Protection** -0- 146,000

402.19 This appropriation is from the state
 402.20 government special revenue fund.

402.21 **Base Adjustment.** The state government
 402.22 special revenue fund base is decreased by
 402.23 \$219,000 in fiscal year 2018 and \$156,000 in
 402.24 fiscal year 2019.

402.25 **Sec. 4. HEALTH-RELATED BOARDS**

402.26 **Subdivision 1. Total Appropriation** \$ 195,000 \$ 352,000

402.27 This appropriation is from the state
 402.28 government special revenue fund.

402.29 **Subd. 2. Board of Dentistry** (850,000) (864,000)

402.30 **Subd. 3. Board of Marriage and Family**
 402.31 **Therapy** 40,000 50,000

402.32 **Subd. 4. Board of Medical Practice** -0- 22,000

403.1	<u>Genetic Counselor Licensing.</u> \$22,000 in		
403.2	<u>fiscal year 2017 is from the state government</u>		
403.3	<u>special revenue fund for genetic counselor</u>		
403.4	<u>licensure activities under Minnesota Statutes,</u>		
403.5	<u>chapter 147F.</u>		
403.6	<u>Subd. 5. Board of Pharmacy</u>	<u>115,000</u>	<u>145,000</u>
403.7	<u>Subd. 6. Board of Physical Therapy</u>	<u>890,000</u>	<u>924,000</u>
403.8	<u>Health Professional Services Program.</u> Of		
403.9	<u>this appropriation, \$850,000 in fiscal year</u>		
403.10	<u>2016 and \$864,000 in fiscal year 2017 are</u>		
403.11	<u>from the state government special revenue</u>		
403.12	<u>fund for the health professional services</u>		
403.13	<u>program.</u>		
403.14	<u>Subd. 7. Board of Podiatric Medicine</u>	<u>-0-</u>	<u>75,000</u>
403.15	<u>Orthotist, Prosthetist, and Pedorthist</u>		
403.16	<u>Licensing.</u> \$75,000 in fiscal year 2017 is		
403.17	<u>from the state government special revenue</u>		
403.18	<u>fund for licensure activities under the</u>		
403.19	<u>Minnesota Orthotists, Prosthetist, and</u>		
403.20	<u>Pedorthist Practice Act, Minnesota Statutes,</u>		
403.21	<u>chapter 153B. The base for this appropriation</u>		
403.22	<u>is \$112,000 in fiscal year 2018 and \$112,000</u>		
403.23	<u>in fiscal year 2019.</u>		
403.24	<u>Base Adjustment.</u> The state government		
403.25	<u>special revenue fund base is increased by</u>		
403.26	<u>\$37,000 in fiscal year 2018 and \$37,000 in</u>		
403.27	<u>fiscal year 2019.</u>		
403.28	<u>Sec. 5. OMBUDSMAN FOR MENTAL</u>		
403.29	<u>HEALTH AND DEVELOPMENTAL</u>		
403.30	<u>DISABILITIES</u>	<u>\$ -0-</u>	<u>\$ 250,000</u>
403.31	<u>Sec. 6. DEPARTMENT OF COMMERCE</u>	<u>\$ (210,000)</u>	<u>\$ (213,000)</u>

403.32 Sec. 7. Laws 2015, chapter 71, article 14, section 4, subdivision 3, is amended to read:

404.1 Subd. 3. **Board of Dentistry** 2,192,000 2,206,000

404.2 This appropriation includes \$864,000 in fiscal
404.3 year 2016 and \$878,000 in fiscal year 2017
404.4 for the health professional services program.

404.5 Sec. 8. **DIRECTION TO COMMISSIONER OF MANAGEMENT AND**
404.6 **BUDGET.**

404.7 In making determinations under Minnesota Statutes, section 295.52, subdivision 8,
404.8 the commissioner of management and budget in fiscal year 2017 only shall not include
404.9 \$74,000,000 of the transfer under Minnesota Statutes, section 16A.724, subdivision 2,
404.10 paragraph (a), as an expenditure or transfer of the health care access fund in determining
404.11 the ratio of revenues to expenditures and transfers when making any determination of
404.12 tax rate reductions under that subdivision.

404.13 Sec. 9. **EXPIRATION OF UNCODIFIED LANGUAGE.**

404.14 All uncodified language contained in this article expires on June 30, 2017, unless a
404.15 different expiration date is explicit.

404.16 Sec. 10. **EFFECTIVE DATE.**

404.17 This article is effective the day following final enactment.

404.18 **ARTICLE 24**

404.19 **TEACHERS**

404.20 Section 1. Minnesota Statutes 2014, section 122A.09, as amended by Laws 2015,
404.21 chapter 69, article 2, section 3, and Laws 2015, First Special Session chapter 3, article 2,
404.22 sections 9 to 11, is amended to read:

404.23 **122A.09 DUTIES.**

404.24 Subdivision 1. **Code of ethics.** The Board of Teaching must develop by rule a code
404.25 of ethics covering standards of professional teaching practices, including areas of ethical
404.26 conduct and professional performance and methods of enforcement.

404.27 Subd. 2. **Advise members of profession.** The board must act in an advisory
404.28 capacity to members of the profession in matters of interpretation of the code of ethics.

404.29 Subd. 3. **Election of chair and officers.** The board shall elect a chair and such
404.30 other officers as it may deem necessary.

405.1 Subd. 4. **License and rules.** (a) The board must adopt rules to license public school
405.2 teachers and interns subject to chapter 14.

405.3 (b) The board must require all candidates for teacher licensure to demonstrate a
405.4 passing score on a board-adopted skills examination in reading, writing, and mathematics,
405.5 as a requirement for an initial teacher licensure professional five-year teaching license,
405.6 except that the board may issue up to four ~~temporary~~, initial professional one-year teaching
405.7 licenses to an otherwise qualified candidate who has not yet passed the board-adopted
405.8 skills exam. The board must require colleges and universities offering a board-approved
405.9 teacher preparation program to provide remedial assistance to persons who did not achieve
405.10 a qualifying score on the board-adopted skills examination, including those for whom
405.11 English is a second language. The requirement to pass a board-adopted reading, writing,
405.12 and mathematics skills examination does not apply to nonnative English speakers, as
405.13 verified by qualified Minnesota school district personnel or Minnesota higher education
405.14 faculty, who, after meeting the content and pedagogy requirements under this subdivision,
405.15 apply for a teaching license to provide direct instruction in their native language or world
405.16 language instruction under section 120B.022, subdivision 1. The Board of Teaching and
405.17 the entity administering the content, pedagogy, and skills examinations must allow any
405.18 individual who produces documentation of a disability in the form of an evaluation, 504
405.19 plan, or individual education program (IEP) to receive the same testing accommodations
405.20 on the content, pedagogy, and skills examinations that the applicant received during their
405.21 secondary or postsecondary education.

405.22 (c) The board must adopt rules to approve teacher preparation programs. The board,
405.23 upon the request of a postsecondary student preparing for teacher licensure or a licensed
405.24 graduate of a teacher preparation program, shall assist in resolving a dispute between the
405.25 person and a postsecondary institution providing a teacher preparation program when the
405.26 dispute involves an institution's recommendation for licensure affecting the person or the
405.27 person's credentials. At the board's discretion, assistance may include the application
405.28 of chapter 14.

405.29 (d) The board must provide the leadership and adopt rules for the redesign of teacher
405.30 education programs to implement a research based, results-oriented curriculum that
405.31 focuses on the skills teachers need in order to be effective. Among other components,
405.32 teacher preparation programs may use the Minnesota State Colleges and Universities
405.33 program model to provide a school-year-long student teaching program that combines
405.34 clinical opportunities with academic coursework and in-depth student teaching
405.35 experiences to offer students ongoing mentorship, coaching, and assessment, help to
405.36 prepare a professional development plan, and structured learning experiences. The board

406.1 shall implement new systems of teacher preparation program evaluation to assure program
406.2 effectiveness based on proficiency of graduates in demonstrating attainment of program
406.3 outcomes. Teacher preparation programs including alternative teacher preparation
406.4 programs under section 122A.245, among other programs, must include a content-specific,
406.5 board-approved, performance-based assessment that measures teacher candidates in three
406.6 areas: planning for instruction and assessment; engaging students and supporting learning;
406.7 and assessing student learning. The board's redesign rules must include creating flexible,
406.8 specialized teaching licenses, credentials, and other endorsement forms to increase
406.9 students' participation in language immersion programs, world language instruction,
406.10 career development opportunities, work-based learning, early college courses and careers,
406.11 career and technical programs, Montessori schools, and project and place-based learning,
406.12 among other career and college ready learning offerings.

406.13 (e) The board must adopt rules requiring candidates for ~~initial~~ professional
406.14 five-year teaching licenses to pass an examination of general pedagogical knowledge
406.15 and examinations of licensure-specific teaching skills. The rules shall be effective by
406.16 September 1, 2001. The rules under this paragraph also must require candidates for initial
406.17 licenses to teach prekindergarten or elementary students to pass, as part of the examination
406.18 of licensure-specific teaching skills, test items assessing the candidates' knowledge,
406.19 skill, and ability in comprehensive, scientifically based reading instruction under section
406.20 122A.06, subdivision 4, and their knowledge and understanding of the foundations of
406.21 reading development, the development of reading comprehension, and reading assessment
406.22 and instruction, and their ability to integrate that knowledge and understanding.

406.23 (f) The board must adopt rules requiring teacher educators to work directly with
406.24 elementary or secondary school teachers in elementary or secondary schools to obtain
406.25 periodic exposure to the elementary or secondary teaching environment.

406.26 (g) The board must grant licenses to interns and to candidates for ~~initial~~ professional
406.27 five-year teaching licenses based on appropriate professional competencies that are
406.28 aligned with the board's licensing system and students' diverse learning needs. All teacher
406.29 candidates must have preparation in English language development and content instruction
406.30 for English learners in order to be able to effectively instruct the English learners in their
406.31 classrooms. The board must include these licenses in a statewide differentiated licensing
406.32 system that creates new leadership roles for successful experienced teachers premised on a
406.33 collaborative professional culture dedicated to meeting students' diverse learning needs
406.34 in the 21st century, recognizes the importance of cultural and linguistic competencies,
406.35 including the ability to teach and communicate in culturally competent and aware ways,

407.1 and formalizes mentoring and induction for newly licensed teachers provided through a
407.2 teacher support framework.

407.3 (h) The board must design and implement an assessment system which requires a
407.4 candidate for an initial license and first continuing license to demonstrate the abilities
407.5 necessary to perform selected, representative teaching tasks at appropriate levels.

407.6 (i) The board must receive recommendations from local committees as established
407.7 by the board for the renewal of teaching licenses. The board must require a licensed
407.8 teachers teacher who are is renewing a continuing license professional five-year teaching
407.9 license to include in the renewal requirements further preparation in English language
407.10 development and specially designed content instruction in English for English learners.

407.11 (j) The board must grant life licenses to those who qualify according to requirements
407.12 established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and
407.13 214.10. The board must not establish any expiration date for application for life licenses.

407.14 (k) The board must adopt rules that require all licensed teachers who are renewing
407.15 their continuing license professional five-year teaching licenses to include in their renewal
407.16 requirements further preparation in the areas of using positive behavior interventions
407.17 and in accommodating, modifying, and adapting curricula, materials, and strategies to
407.18 appropriately meet the needs of individual students and ensure adequate progress toward
407.19 the state's graduation rule.

407.20 (l) In adopting rules to license public school teachers who provide health-related
407.21 services for disabled children, the board shall adopt rules consistent with license or
407.22 registration requirements of the commissioner of health and the health-related boards who
407.23 license personnel who perform similar services outside of the school.

407.24 (m) The board must adopt rules that require all licensed teachers who are renewing
407.25 their continuing license professional five-year teaching licenses to include in their renewal
407.26 requirements further reading preparation, consistent with section 122A.06, subdivision
407.27 4. The rules do not take effect until they are approved by law. Teachers who do not
407.28 provide direct instruction including, at least, counselors, school psychologists, school
407.29 nurses, school social workers, audiovisual directors and coordinators, and recreation
407.30 personnel are exempt from this section.

407.31 (n) The board must adopt rules that require all licensed teachers who are renewing
407.32 their continuing license professional five-year teaching licenses to include in their
407.33 renewal requirements at least one hour of suicide prevention best practices in each
407.34 licensure renewal period that are based on nationally recognized evidence-based
407.35 programs and practices, among the continuing education credits required to renew
407.36 a license under this paragraph, and further preparation, first, in understanding the

408.1 key warning signs of early-onset mental illness in children and adolescents and then,
408.2 during subsequent licensure renewal periods, preparation may include providing a
408.3 more in-depth understanding of students' mental illness trauma, accommodations for
408.4 students' mental illness, parents' role in addressing students' mental illness, Fetal Alcohol
408.5 Spectrum Disorders, autism, the requirements of section 125A.0942 governing restrictive
408.6 procedures, and de-escalation methods, among other similar topics.

408.7 (o) The board must adopt rules by January 1, 2016, to license applicants under
408.8 sections 122A.23 and 122A.245. The rules must permit applicants to demonstrate their
408.9 qualifications through the board's recognition of a teaching license from another state
408.10 in a similar content field, completion of a state-approved teacher preparation program,
408.11 teaching experience as the teacher of record in a similar licensure field, depth of content
408.12 knowledge, depth of content methods or general pedagogy, subject-specific professional
408.13 development and contribution to the field, or classroom performance as determined by
408.14 documented student growth on normed assessments or documented effectiveness on
408.15 evaluations. The rules must adopt criteria for determining a "similar content field" and
408.16 "similar licensure area."

408.17 Subd. 4a. **Teacher and administrator preparation and performance data;**
408.18 **report.** (a) The Board of Teaching and the Board of School Administrators, in cooperation
408.19 with the Minnesota Association of Colleges of Teacher Education and Minnesota colleges
408.20 and universities offering board-adopted teacher or administrator preparation programs,
408.21 annually must collect and report summary data on teacher and administrator preparation
408.22 and performance outcomes, consistent with this subdivision. The Board of Teaching
408.23 and the Board of School Administrators annually by June 1 must update and post the
408.24 reported summary preparation and performance data on teachers and administrators from
408.25 the preceding school years on a Web site hosted jointly by the boards.

408.26 (b) Publicly reported summary data on teacher preparation programs must include:
408.27 student entrance requirements for each Board of Teaching-approved program, including
408.28 grade point average for enrolling students in the preceding year; the average board-adopted
408.29 skills examination or ACT or SAT scores of students entering the program in the preceding
408.30 year; summary data on faculty qualifications, including at least the content areas of faculty
408.31 undergraduate and graduate degrees and their years of experience either as kindergarten
408.32 through grade 12 classroom teachers or school administrators; the average time resident
408.33 and nonresident program graduates in the preceding year needed to complete the program;
408.34 the current number and percent of students by program who graduated, received a standard
408.35 Minnesota teaching license, and were hired to teach full time in their licensure field in a
408.36 Minnesota district or school in the preceding year; the number of content area credits and

409.1 other credits by undergraduate program that students in the preceding school year needed
409.2 to complete to graduate; students' pass rates on skills and subject matter exams required for
409.3 graduation in each program and licensure area in the preceding school year; survey results
409.4 measuring student and graduate satisfaction with the program in the preceding school
409.5 year; a standard measure of the satisfaction of school principals or supervising teachers
409.6 with the student teachers assigned to a school or supervising teacher; and information
409.7 under paragraphs (d) and (e). Program reporting must be consistent with subdivision 11.

409.8 (c) Publicly reported summary data on administrator preparation programs
409.9 approved by the Board of School Administrators must include: summary data on faculty
409.10 qualifications, including at least the content areas of faculty undergraduate and graduate
409.11 degrees and their years of experience either as kindergarten through grade 12 classroom
409.12 teachers or school administrators; the average time program graduates in the preceding
409.13 year needed to complete the program; the current number and percent of students who
409.14 graduated, received a standard Minnesota administrator license, and were employed as an
409.15 administrator in a Minnesota school district or school in the preceding year; the number of
409.16 credits by graduate program that students in the preceding school year needed to complete
409.17 to graduate; survey results measuring student, graduate, and employer satisfaction with
409.18 the program in the preceding school year; and information under paragraphs (f) and (g).
409.19 Program reporting must be consistent with section 122A.14, subdivision 10.

409.20 (d) School districts annually by October 1 must report to the Board of Teaching
409.21 the following information for all teachers who finished the probationary period and
409.22 accepted a continuing contract position with the district from September 1 of the previous
409.23 year through August 31 of the current year: the effectiveness category or rating of the
409.24 teacher on the summative evaluation under section 122A.40, subdivision 8, or 122A.41,
409.25 subdivision 5; the licensure area in which the teacher primarily taught during the
409.26 three-year evaluation cycle; and the teacher preparation program preparing the teacher in
409.27 the teacher's primary areas of instruction and licensure.

409.28 (e) School districts annually by October 1 must report to the Board of Teaching the
409.29 following information for all probationary teachers in the district who were released or
409.30 whose contracts were not renewed from September 1 of the previous year through August
409.31 31 of the current year: the licensure areas in which the probationary teacher taught; and
409.32 the teacher preparation program preparing the teacher in the teacher's primary areas of
409.33 instruction and licensure.

409.34 (f) School districts annually by October 1 must report to the Board of School
409.35 Administrators the following information for all school principals and assistant principals
409.36 who finished the probationary period and accepted a continuing contract position with the

410.1 district from September 1 of the previous year through August 31 of the current year: the
410.2 effectiveness category or rating of the principal or assistant principal on the summative
410.3 evaluation under section 123B.147, subdivision 3; and the principal preparation program
410.4 providing instruction to the principal or assistant principal.

410.5 (g) School districts annually by October 1 must report to the Board of School
410.6 Administrators all probationary school principals and assistant principals in the district
410.7 who were released or whose contracts were not renewed from September 1 of the previous
410.8 year through August 31 of the current year.

410.9 Subd. 5. **Commissioner's representative to comment on proposed rule.** ~~Prior~~
410.10 ~~to the adoption by~~ Before the Board of Teaching ~~of~~ adopts any rule ~~which~~ that must be
410.11 submitted to public hearing, a representative of the commissioner shall appear before the
410.12 Board of Teaching and at the hearing required ~~pursuant to~~ under section 14.14, subdivision
410.13 1, to comment on the cost and educational implications of that proposed rule.

410.14 Subd. 6. **Register of persons licensed.** The executive secretary of the Board of
410.15 Teaching shall keep a record of the proceedings of and a register of all persons licensed
410.16 pursuant to the provisions of this chapter. The register must show the name, address,
410.17 license number and the renewal of the license. The board must on July 1, of each year
410.18 or as soon thereafter as is practicable, compile a list of such duly licensed teachers and
410.19 transmit a copy of the list to the board. A copy of the register must be available during
410.20 business hours at the office of the board to any interested person.

410.21 Subd. 7. **Commissioner's assistance; board money.** The commissioner shall
410.22 provide all necessary materials and assistance for the transaction of the business of the
410.23 Board of Teaching and all moneys received by the Board of Teaching shall be paid into
410.24 the state treasury as provided by law. The expenses of administering sections 122A.01,
410.25 122A.05 to 122A.09, 122A.15, 122A.16, 122A.17, 122A.18, 122A.20, 122A.21, 122A.22,
410.26 122A.23, 122A.26, 122A.30, 122A.40, 122A.41, 122A.42, 122A.45, 122A.49, 122A.54,
410.27 122A.55, 122A.56, 122A.57, and 122A.58 which are incurred by the Board of Teaching
410.28 shall be paid for from appropriations made to the Board of Teaching.

410.29 Subd. 8. **Fraud; gross misdemeanor.** A person who claims to be a licensed teacher
410.30 without a valid existing license issued by the board or any person who employs fraud or
410.31 deception in applying for or securing a license is guilty of a gross misdemeanor.

410.32 Subd. 9. **Board may adopt rules.** The Board of Teaching may adopt rules subject
410.33 to the provisions of chapter 14 to implement sections 122A.05 to 122A.09, 122A.16,
410.34 122A.17, 122A.18, 122A.20, 122A.21, and 122A.23.

410.35 Subd. 10. ~~**Variances**~~ **Permissions.** (a) Notwithstanding subdivision 9 and section
410.36 ~~14.05, subdivision 4~~ 14.055, the Board of Teaching may grant a ~~variance~~ waivers to its

411.1 rules upon application by a school district or a charter school for purposes of implementing
411.2 experimental programs in learning or management.

411.3 (b) To enable a school district or a charter school to meet the needs of students
411.4 enrolled in an alternative education program and to enable licensed teachers instructing
411.5 those students to satisfy content area licensure requirements, the Board of Teaching
411.6 annually may permit a licensed teacher teaching in an alternative education program to
411.7 instruct students in a content area for which the teacher is not licensed, consistent with
411.8 paragraph (a).

411.9 (c) A special education license ~~variance~~ permission issued by the Board of Teaching
411.10 for a primary employer's low-incidence region ~~shall be~~ is valid in all low-incidence regions.

411.11 (d) The Board of Teaching may issue a one-year professional license under
411.12 paragraph (a), which the board may renew two times, to allow a person holding a full
411.13 credential from the American Montessori Society, a diploma from Association Montessori
411.14 Internationale, or a certificate of completion from a program accredited by the Montessori
411.15 Accreditation Council for Teacher Education to teach in a Montessori program operated
411.16 by a school district or charter school.

411.17 (e) The Board of Teaching may grant a one-year waiver, renewable two times,
411.18 to allow individuals who hold a bachelor's degree from an accredited postsecondary
411.19 institution, demonstrate occupational competency based on at least three years of full-time
411.20 work experience in business or industry, and enroll and make satisfactory progress in
411.21 an alternative preparation program leading to certification as a career and technical
411.22 education instructor to teach career and technical education courses offered by a school
411.23 district or charter school. Consistent with this paragraph and section 136F.361, the Board
411.24 of Teaching must strongly encourage teacher preparation programs and institutions
411.25 throughout Minnesota to develop alternative pathways for certifying and licensing
411.26 high school career and technical education instructors and teachers, allowing such
411.27 candidates to meet certification and licensure standards that demonstrate their content
411.28 knowledge, classroom experience, and pedagogical practices and their qualifications
411.29 based on a combination of occupational testing, professional certification or licensure, and
411.30 long-standing work experience.

411.31 Subd. 11. **Teacher preparation program reporting.** By December 31, 2018, and
411.32 annually thereafter, the Board of Teaching shall report and publish on its Web site the
411.33 cumulative summary results of at least three consecutive years of data reported to the board
411.34 under subdivision 4a, paragraph (b). Where the data are sufficient to yield statistically
411.35 reliable information and the results would not reveal personally identifiable information
411.36 about an individual teacher, the board shall report the data by teacher preparation program.

412.1 **EFFECTIVE DATE.** Subdivision 4, paragraph (n), is effective the day following
412.2 final enactment and applies to teachers renewing their teaching licenses beginning August
412.3 1, 2017. Subdivision 10, paragraphs (d) and (e) are effective for the 2016-2017 through
412.4 2018-2019 school years.

412.5 Sec. 2. Minnesota Statutes 2014, section 122A.16, is amended to read:

412.6 **122A.16 HIGHLY QUALIFIED TEACHER DEFINED.**

412.7 (a) A qualified teacher is one holding a valid license, under this chapter, to perform
412.8 the particular service for which the teacher is employed in a public school.

412.9 ~~(b) For the purposes of the federal No Child Left Behind Act, a highly qualified~~
412.10 ~~teacher is one who holds a valid license under this chapter, including under section~~
412.11 ~~122A.245, among other sections and is determined by local administrators as having~~
412.12 ~~highly qualified status according to the approved Minnesota highly qualified plan.~~
412.13 ~~Teachers delivering core content instruction must be deemed highly qualified at the local~~
412.14 ~~level and reported to the state via the staff automated reporting system.~~

412.15 Sec. 3. Minnesota Statutes 2014, section 122A.18, as amended by Laws 2015, First
412.16 Special Session chapter 3, article 2, sections 14 and 15, is amended to read:

412.17 **122A.18 BOARD TO ISSUE LICENSES.**

412.18 Subdivision 1. **Authority to license.** (a) The Board of Teaching must license
412.19 teachers, as defined in section 122A.15, subdivision 1, except for supervisory personnel,
412.20 as defined in section 122A.15, subdivision 2.

412.21 (b) The Board of School Administrators must license supervisory personnel as
412.22 defined in section 122A.15, subdivision 2, except for athletic coaches.

412.23 (c) Licenses under the jurisdiction of the Board of Teaching, the Board of School
412.24 Administrators, and the commissioner of education must be issued through the licensing
412.25 section of the department.

412.26 (d) The Board of Teaching and the Department of Education must enter into a data
412.27 sharing agreement to share educational data at the E-12 level for the limited purpose
412.28 of program approval and improvement for teacher education programs. The program
412.29 approval process must include targeted redesign of teacher preparation programs to
412.30 address identified E-12 student areas of concern.

412.31 (e) The Board of School Administrators and the Department of Education must enter
412.32 into a data sharing agreement to share educational data at the E-12 level for the limited
412.33 purpose of program approval and improvement for education administration programs.

413.1 The program approval process must include targeted redesign of education administration
413.2 preparation programs to address identified E-12 student areas of concern.

413.3 (f) For purposes of the data sharing agreements under paragraphs (d) and (e), the
413.4 Board of Teaching, Board of School Administrators, and Department of Education may
413.5 share private data, as defined in section 13.02, subdivision 12, on teachers and school
413.6 administrators. The data sharing agreements must not include educational data, as defined
413.7 in section 13.32, subdivision 1, but may include summary data, as defined in section
413.8 13.02, subdivision 19, derived from educational data.

413.9 Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching
413.10 must issue licenses under its jurisdiction to persons the board finds to be qualified and
413.11 competent for their respective positions, including those meeting the standards adopted
413.12 under section 122A.09, subdivision 4, paragraph ~~(o)~~ (n).

413.13 (b) The board must require a candidate for teacher licensure to demonstrate a passing
413.14 score on a board-adopted examination of skills in reading, writing, and mathematics,
413.15 before being granted ~~an initial~~ a professional five-year teaching license to provide direct
413.16 instruction to pupils in prekindergarten, elementary, secondary, or special education
413.17 programs, except that the board may issue up to four temporary, one-year teaching licenses
413.18 to an otherwise qualified candidate who has not yet passed a board-adopted skills exam.
413.19 At the request of the employing school district or charter school, the Board of Teaching
413.20 may issue ~~a restricted~~ an initial professional one-year teaching license to an otherwise
413.21 qualified teacher not passing or demonstrating a passing score on a board-adopted skills
413.22 examination in reading, writing, and mathematics. For purposes of this section, the
413.23 ~~restricted~~ initial professional one-year teaching license issued by the board is limited to the
413.24 current subject or content matter the teacher is employed to teach and limited to the district
413.25 or charter school requesting the ~~restricted~~ initial professional one-year teaching license. If
413.26 the board denies the request, it must provide a detailed response to the school administrator
413.27 as to the reasons for the denial. The board must require colleges and universities offering
413.28 a board approved teacher preparation program to make available upon request remedial
413.29 assistance that includes a formal diagnostic component to persons enrolled in their
413.30 institution who did not achieve a qualifying score on a board-adopted skills examination,
413.31 including those for whom English is a second language. The colleges and universities
413.32 must make available assistance in the specific academic areas of candidates' deficiency.
413.33 School districts may make available upon request similar, appropriate, and timely remedial
413.34 assistance that includes a formal diagnostic component to those persons employed by the
413.35 district who completed their teacher education program, who did not achieve a qualifying
413.36 score on a board-adopted skills examination, and who received ~~a temporary~~ an initial

414.1 professional one-year teaching license to teach in Minnesota. The Board of Teaching
414.2 shall report annually to the education committees of the legislature on the total number
414.3 of teacher candidates during the most recent school year taking a board-adopted skills
414.4 examination, the number who achieve a qualifying score on the examination, the number
414.5 who do not achieve a qualifying score on the examination, and the candidates who have
414.6 not passed a content or pedagogy exam, disaggregated by categories of race, ethnicity,
414.7 and eligibility for financial aid.

414.8 (c) The Board of Teaching must grant ~~continuing~~ professional five-year teaching
414.9 licenses only to those persons who have met board criteria for ~~granting a continuing~~ that
414.10 license, which includes passing a board-adopted skills examination in reading, writing, and
414.11 mathematics, and the exceptions in section 122A.09, subdivision 4, paragraph (b), that are
414.12 consistent with this paragraph. The requirement to pass a board-adopted reading, writing,
414.13 and mathematics skills examination, does not apply to nonnative English speakers, as
414.14 verified by qualified Minnesota school district personnel or Minnesota higher education
414.15 faculty, who, after meeting the content and pedagogy requirements under this subdivision,
414.16 apply for a professional five-year teaching license to provide direct instruction in their
414.17 native language or world language instruction under section 120B.022, subdivision 1.

414.18 (d) All colleges and universities approved by the board of teaching to prepare persons
414.19 for teacher licensure must include in their teacher preparation programs a common core
414.20 of teaching knowledge and skills to be acquired by all persons recommended for teacher
414.21 licensure. Among other requirements, teacher candidates must demonstrate the knowledge
414.22 and skills needed to provide appropriate instruction to English learners to support and
414.23 accelerate their academic literacy, including oral academic language, and achievement in
414.24 content areas in a regular classroom setting. This common core shall meet the standards
414.25 developed by the interstate new teacher assessment and support consortium in its 1992
414.26 "model standards for beginning teacher licensing and development." Amendments to
414.27 standards adopted under this paragraph are covered by chapter 14. The board of teaching
414.28 shall report annually to the education committees of the legislature on the performance
414.29 of teacher candidates on common core assessments of knowledge and skills under this
414.30 paragraph during the most recent school year.

414.31 Subd. 2a. **Reading strategies.** (a) All colleges and universities approved by the
414.32 Board of Teaching to prepare persons for classroom teacher licensure must include in
414.33 their teacher preparation programs research-based best practices in reading, consistent
414.34 with section 122A.06, subdivision 4, that enable the licensure candidate to know how to
414.35 teach reading in the candidate's content areas. Teacher candidates must be instructed
414.36 in using students' native languages as a resource in creating effective differentiated

415.1 instructional strategies for English learners developing literacy skills. These colleges and
415.2 universities also must prepare early childhood and elementary teacher candidates for initial
415.3 professional five-year teaching licenses to teach prekindergarten or elementary students
415.4 for the assessment of reading instruction portion of the examination of licensure-specific
415.5 teaching skills under section 122A.09, subdivision 4, paragraph (e), covering assessment
415.6 of reading instruction.

415.7 (b) Board-approved teacher preparation programs for teachers of elementary
415.8 education must require instruction ~~in the application of~~ in applying comprehensive,
415.9 scientifically based, and balanced reading instruction programs that:

415.10 (1) teach students to read using foundational knowledge, practices, and strategies
415.11 consistent with section 122A.06, subdivision 4, so that all students ~~will~~ achieve continuous
415.12 progress in reading; and

415.13 (2) teach specialized instruction in reading strategies, interventions, and remediations
415.14 that enable students of all ages and proficiency levels to become proficient readers.

415.15 (c) Nothing in this section limits the authority of a school district to select a school's
415.16 reading program or curriculum.

415.17 Subd. 2b. **Reading specialist.** Not later than July 1, 2002, the Board of Teaching
415.18 must adopt rules providing for the reading teacher licensure ~~of teachers of reading~~.

415.19 Subd. 3. **Supervisory and coach qualifications; code of ethics.** The commissioner
415.20 of education must issue licenses under its jurisdiction to persons the commissioner finds
415.21 to be qualified and competent for their respective positions under the rules it adopts.
415.22 The commissioner of education may develop, by rule, a code of ethics for supervisory
415.23 personnel covering standards of professional practices, including areas of ethical conduct
415.24 and professional performance and methods of enforcement.

415.25 Subd. 3a. **Technology strategies.** All colleges and universities approved by the
415.26 Board of Teaching to prepare persons for classroom teacher licensure must include in their
415.27 teacher preparation programs the knowledge and skills teacher candidates need to deliver
415.28 digital and blended learning and curriculum and engage students with technology.

415.29 Subd. 4. **Expiration and renewal.** (a) Each license the Department of Education
415.30 issues through its licensing section must bear the date of issue and the name of the
415.31 state-approved teacher training provider. Licenses must expire and be renewed according
415.32 to the respective rules the Board of Teaching, the Board of School Administrators, or the
415.33 commissioner of education adopts. Requirements for renewing a license must include
415.34 showing satisfactory evidence of successful teaching or administrative experience for
415.35 at least one school year during the period covered by the license in grades or subjects
415.36 for which the license is valid or completing such additional preparation as the Board of

416.1 Teaching prescribes. The Board of School Administrators shall establish requirements for
416.2 renewing the licenses of supervisory personnel except athletic coaches. The State Board
416.3 of Teaching shall establish requirements for renewing the licenses of athletic coaches.

416.4 (b) ~~Relicensure~~ Applicants for license renewal who have been employed as a teacher
416.5 during the renewal period of their expiring license, as a condition of ~~relicensure~~ license
416.6 renewal, must present to their local continuing education and relicensure committee
416.7 or other local relicensure committee evidence of work that demonstrates professional
416.8 reflection and growth in best teaching practices, including among other things, practices in
416.9 meeting the varied needs of English learners, from young children to adults under section
416.10 124D.59, subdivisions 2 and 2a. The applicant must include a reflective statement of
416.11 professional accomplishment and the applicant's own assessment of professional growth
416.12 showing evidence of:

416.13 (1) support for student learning;

416.14 (2) use of best practices techniques and their applications to student learning;

416.15 (3) collaborative work with colleagues that includes examples of collegiality such as
416.16 attested-to committee work, collaborative staff development programs, and professional
416.17 learning community work; or

416.18 (4) continual professional development that may include (i) job-embedded or other
416.19 ongoing formal professional learning or (ii) for teachers employed for only part of the
416.20 renewal period of their expiring license, other similar professional development efforts
416.21 made during the relicensure period.

416.22 The Board of Teaching must ensure that its teacher relicensing requirements also include
416.23 this paragraph.

416.24 (c) The Board of Teaching shall offer alternative ~~continuing relicensure~~ options for
416.25 license renewal for teachers who are accepted into and complete the National Board for
416.26 Professional Teaching Standards certification process, and offer additional continuing
416.27 relicensure options for teachers who earn National Board for Professional Teaching
416.28 Standards certification. Continuing relicensure requirements for teachers who do not
416.29 maintain National Board for Professional Teaching Standards certification are those the
416.30 board prescribes, consistent with this section.

416.31 Subd. 4a. **Limited provisional licenses.** The board may grant two-year provisional
416.32 licenses to licensure candidates in a field in which they were not previously licensed or in a
416.33 field in which a shortage of licensed teachers exists. A shortage is defined as an inadequate
416.34 supply of licensed personnel in a given licensure area as determined by the commissioner.

416.35 ~~Subd. 5. **Effective date.** Nothing contained herein shall be construed as affecting~~
416.36 ~~the validity of a permanent certificate or license issued prior to July 1, 1969.~~

417.1 Subd. 6. **Human relations.** The Board of Teaching ~~and the commissioner of~~
417.2 ~~education~~ shall accept training programs completed through Peace Corps, VISTA, or
417.3 Teacher Corps in lieu of ~~completion of~~ completing the human relations component of the
417.4 training program for purposes of issuing or renewing a teaching license ~~in education~~.

417.5 Subd. 7. **Limited provisional licenses.** The Board of Teaching may grant
417.6 provisional licenses, which shall be valid for two years, in fields in which licenses were not
417.7 issued previously or in fields in which a shortage of licensed teachers exists. A shortage is
417.8 defined as a lack of or an inadequate supply of licensed personnel within a given licensure
417.9 area in a school district that has notified the Board of Teaching of the shortage and has
417.10 applied to the Board of Teaching for provisional licenses for that district's licensed staff.

417.11 Subd. 7a. **Permission to substitute teach.** (a) The Board of Teaching may allow a
417.12 person who is enrolled in and making satisfactory progress in a board-approved teacher
417.13 program and who has successfully completed student teaching to be employed as a
417.14 short-call substitute teacher.

417.15 (b) The Board of Teaching may issue a lifetime qualified short-call substitute
417.16 teaching license to a person who:

417.17 (1) was a qualified teacher under section 122A.16 while holding a ~~continuing~~
417.18 professional five-year teaching license issued by the board, and receives a retirement
417.19 annuity from the Teachers Retirement Association or the St. Paul Teachers Retirement
417.20 Fund Association;

417.21 (2) holds an out-of-state teaching license and receives a retirement annuity as a
417.22 result of the person's teaching experience; or

417.23 (3) held a ~~continuing~~ professional five-year teaching license issued by the board,
417.24 taught at least three school years in an accredited nonpublic school in Minnesota, and
417.25 receives a retirement annuity as a result of the person's teaching experience.

417.26 A person holding a lifetime qualified short-call substitute teaching license is not required
417.27 to complete continuing education clock hours. A person holding this license may reapply
417.28 to the board for a ~~continuing~~ professional five-year teaching license and must again
417.29 complete continuing education clock hours one school year after receiving the ~~continuing~~
417.30 professional five-year teaching license.

417.31 Subd. 7b. **Temporary limited licenses; personnel variances.** (a) The Board of
417.32 Teaching must accept applications for a temporary limited teaching license beginning
417.33 July 1 of the school year for which the license is requested and must issue or deny the
417.34 temporary limited teaching license within 30 days of receiving the complete application.

418.1 (b) The Board of Teaching must accept applications for a personnel variance
418.2 beginning July 1 of the school year for which the variance is requested and must issue or
418.3 deny the personnel variance within 30 days of receiving the complete application.

418.4 Subd. 7c. **Temporary military license.** The Board of Teaching shall establish
418.5 a temporary license in accordance with section 197.4552 for teaching. The fee for a
418.6 temporary license under this subdivision shall be \$87.90 for an online application or
418.7 \$86.40 for a paper application.

418.8 Subd. 8. **Background checks.** (a) The Board of Teaching and the commissioner
418.9 of education must request a criminal history background check from the superintendent
418.10 of the Bureau of Criminal Apprehension on all first-time teaching applicants for ~~initial~~
418.11 licenses under their jurisdiction. ~~An application for a license under this section must be~~
418.12 ~~accompanied by~~ Applicants must include with their licensure applications:

- 418.13 (1) an executed criminal history consent form, including fingerprints; and
418.14 (2) a money order or cashier's check payable to the Bureau of Criminal Apprehension
418.15 for the fee for conducting the criminal history background check.

418.16 (b) The superintendent of the Bureau of Criminal Apprehension shall perform the
418.17 background check required under paragraph (a) by retrieving criminal history data as
418.18 defined in section 13.87 and shall also conduct a search of the national criminal records
418.19 repository. The superintendent is authorized to exchange fingerprints with the Federal
418.20 Bureau of Investigation for purposes of the criminal history check. The superintendent
418.21 shall recover the cost to the bureau of a background check through the fee charged to
418.22 the applicant under paragraph (a).

418.23 (c) The Board of Teaching or the commissioner of education may issue a license
418.24 pending completion of a background check under this subdivision, but must notify
418.25 the individual that the individual's license may be revoked based on the result of the
418.26 background check.

418.27 Sec. 4. Minnesota Statutes 2015 Supplement, section 122A.23, is amended to read:

418.28 **122A.23 APPLICANTS TRAINED IN OTHER STATES.**

418.29 Subdivision 1. **Preparation equivalency.** When a license to teach is authorized to
418.30 be issued to any holder of a diploma or a degree of a Minnesota state university, or of the
418.31 University of Minnesota, or of a liberal arts university, or a technical training institution,
418.32 such license may also, in the discretion of the Board of Teaching ~~or the commissioner of~~
418.33 ~~education, whichever has jurisdiction,~~ be issued to any holder of a diploma or a degree of a
418.34 teacher training institution of equivalent rank and standing of any other state. The diploma
418.35 or degree must be granted by virtue of completing coursework in teacher preparation as

419.1 preliminary to the granting of a diploma or a degree of the same rank and class. For
419.2 purposes of granting a Minnesota teaching license to a person who receives a diploma or
419.3 degree from a state-accredited, out-of-state teacher training program leading to licensure,
419.4 the Board of Teaching must establish criteria and streamlined policies and procedures by
419.5 January 1, 2016, to recognize the experience and professional credentials of the person
419.6 holding the out-of-state diploma or degree and allow that person to demonstrate to the
419.7 board the person's qualifications for receiving a Minnesota teaching license based on
419.8 performance measures the board adopts by January 1, 2016, under this section.

419.9 Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements
419.10 of sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a
419.11 professional five-year teaching license or a temporary an initial professional one-year
419.12 teaching license under paragraphs (c) to (f) to an applicant who holds at least a
419.13 baccalaureate degree from a regionally accredited college or university and holds or
419.14 held an out-of-state teaching license that requires the applicant to successfully complete
419.15 a teacher preparation program approved by the issuing state, which includes either (1)
419.16 field-specific teaching methods, student teaching, or equivalent experience, or (2) at least
419.17 two years of teaching experience as the teacher of record in a similar licensure field area.

419.18 (b) The Board of Teaching may issue a standard professional five-year teaching
419.19 license on the basis of teaching experience and examination requirements only.

419.20 (c) The Board of Teaching must issue a professional five-year teaching license to
419.21 an applicant who:

419.22 (1) successfully completed all exams and human relations preparation components
419.23 required by the Board of Teaching; and

419.24 (2) holds or held an out-of-state teaching license to teach a similar content field and
419.25 grade levels if the scope of the out-of-state license is no more than two grade levels less
419.26 than a similar Minnesota license, and either (i) has completed field-specific teaching
419.27 methods, student teaching, or equivalent experience, or (ii) has at least two years of
419.28 teaching experience as the teacher of record in a similar licensure field area.

419.29 (d) The Board of Teaching, consistent with board rules and paragraph (i), must
419.30 issue up to four ~~one-year temporary~~ initial professional one-year teaching licenses to an
419.31 applicant who holds or held an out-of-state teaching license to teach a similar ~~content field~~
419.32 licensure area and grade levels, where the scope of the out-of-state license is no more
419.33 than two grade levels less than a similar Minnesota license, but has not successfully
419.34 completed all exams and human relations preparation components required by the Board
419.35 of Teaching. The board must issue a professional five-year teaching license to an applicant
419.36 who successfully completes the requirements under this paragraph.

420.1 (e) The Board of Teaching, consistent with board rules, must issue up to four initial
420.2 professional one-year temporary teaching licenses to an applicant who:

420.3 (1) successfully completed all exams and human relations preparation components
420.4 required by the Board of Teaching; and

420.5 (2) holds or held an out-of-state teaching license to teach a similar ~~content field~~
420.6 licensure area and grade levels, where the scope of the out-of-state license is no more than
420.7 two grade levels less than a similar Minnesota license, but has not completed field-specific
420.8 teaching methods or student teaching or equivalent experience.

420.9 The applicant may complete field-specific teaching methods ~~and student teaching~~
420.10 ~~or equivalent experience~~ by successfully participating in a one-year school district
420.11 mentorship program consistent with board-adopted standards of effective practice and
420.12 Minnesota graduation requirements. If no school district mentorship program is available,
420.13 the applicant must complete field-specific teaching methods coursework while serving
420.14 as a teacher of record and providing classroom instruction in the applicant's field of
420.15 licensure. The board must issue a professional five-year teaching license to an applicant
420.16 who successfully completes the requirements under this paragraph.

420.17 ~~(f) The Board of Teaching must issue a restricted teaching license for only in the~~
420.18 ~~content field or grade levels specified in the out-of-state license to an applicant who:~~

420.19 ~~(1) successfully completed all exams and human relations preparation components~~
420.20 ~~required by the Board of Teaching; and~~

420.21 ~~(2) holds or held an out-of-state teaching license where the out-of-state license is~~
420.22 ~~more limited in the content field or grade levels than a similar Minnesota license.~~

420.23 (f) The Board of Teaching must issue to an applicant with an out-of-state teaching
420.24 license up to four initial professional one-year teaching licenses that are restricted in
420.25 content or grade levels specified in the out-of-state license if the applicant's out-of-state
420.26 teaching license is more limited than a similar Minnesota license in content field or
420.27 grade levels. The Board of Teaching must issue a professional five-year teaching license
420.28 to an applicant who successfully completes all exams and human relations preparation
420.29 components required by the Board of Teaching. Any content or grade level restriction
420.30 placed on a license under this paragraph remains in effect.

420.31 (g) The Board of Teaching may issue a two-year ~~limited~~ provisional ~~license~~
420.32 permission to an applicant under this subdivision to teach in a shortage area, consistent
420.33 with section 122A.18, subdivision 4a.

420.34 (h) The Board of Teaching may issue a license under this subdivision if the applicant
420.35 has attained the additional degrees, credentials, or licenses required in a particular
420.36 licensure field and the applicant can demonstrate competency by obtaining qualifying

421.1 scores on the board-adopted skills examination in reading, writing, and mathematics, and
421.2 on applicable board-adopted rigorous content area and pedagogy examinations under
421.3 section 122A.09, subdivision 4, paragraphs (a) and (e).

421.4 (i) The Board of Teaching must require an applicant for a professional five-year
421.5 teaching license or a ~~temporary~~ an initial professional one-year teaching license under
421.6 this subdivision to pass a board-adopted skills examination in reading, writing, and
421.7 mathematics before the board issues the license unless, notwithstanding other provisions
421.8 of this subdivision, an applicable board-approved National Association of State Directors
421.9 of Teacher Education and Certification interstate ~~reciprocity~~ agreement exists to allow
421.10 fully certified teachers from other states to transfer their certification to Minnesota.

421.11 Subd. 3. **Teacher licensure agreements with adjoining states.** (a) Notwithstanding
421.12 any other law to the contrary, the Board of Teaching must enter into a National Association
421.13 of State Directors of Teacher Education and Certification (NASDTEC) interstate
421.14 agreement and other interstate agreements for teacher licensure to allow fully certified
421.15 teachers from adjoining states to transfer their certification to Minnesota. The board must
421.16 enter into these interstate agreements only after determining that the rigor of the teacher
421.17 licensure or certification requirements in the adjoining state is commensurate with the
421.18 rigor of Minnesota's teacher licensure requirements. The board may limit an interstate
421.19 agreement to particular content fields or grade levels based on established priorities or
421.20 identified shortages. This subdivision does not apply to out-of-state applicants holding
421.21 only a provisional teaching license.

421.22 (b) The Board of Teaching must work with designated authorities in adjoining states
421.23 to establish interstate teacher licensure agreements under this section.

421.24 Sec. 5. Minnesota Statutes 2014, section 122A.245, as amended by Laws 2015, First
421.25 Special Session chapter 3, article 2, sections 19 to 21, is amended to read:

421.26 **122A.245 ALTERNATIVE TEACHER PREPARATION PROGRAM AND**
421.27 **~~LIMITED-TERM~~ PRELIMINARY TEACHER LICENSE.**

421.28 Subdivision 1. **Requirements.** (a) To improve academic excellence, improve
421.29 ethnic and cultural diversity in the classroom, and close the academic achievement gap,
421.30 the Board of Teaching must approve qualified teacher preparation programs under this
421.31 section that are a means to acquire a two-year ~~limited-term~~ preliminary teacher license,
421.32 which the board may renew one time for an additional one-year term, and to prepare for
421.33 acquiring a ~~standard~~ professional five-year license. The following entities are eligible
421.34 to participate under this section:

422.1 (1) a school district, charter school, or nonprofit corporation organized under chapter
422.2 317A for an education-related purpose that forms a partnership with a college or university
422.3 that has a board-approved alternative teacher preparation program; or

422.4 (2) a school district or charter school, after consulting with a college or university
422.5 with a board-approved teacher preparation program, that forms a partnership with a
422.6 nonprofit corporation organized under chapter 317A for an education-related purpose that
422.7 has a board-approved teacher preparation program.

422.8 (b) Before becoming a teacher of record, a candidate must:

422.9 (1) have a bachelor's degree with a 3.0 or higher grade point average unless the
422.10 board waives the grade point average requirement based on board-adopted criteria adopted
422.11 by January 1, 2016;

422.12 (2) demonstrate a passing score on a board-adopted reading, writing, and
422.13 mathematics skills examination under section 122A.09, subdivision 4, paragraph (b); and

422.14 (3) obtain qualifying scores on applicable board-approved rigorous content area and
422.15 pedagogy examinations under section 122A.09, subdivision 4, paragraph (e).

422.16 (c) The Board of Teaching must issue a two-year ~~limited-term~~ preliminary teacher
422.17 license to a person who enrolls in an alternative teacher preparation program.

422.18 Subd. 2. **Characteristics.** An alternative teacher preparation program under this
422.19 section must include:

422.20 (1) a minimum 200-hour instructional phase that provides intensive preparation and
422.21 student teaching before the teacher candidate assumes classroom responsibilities;

422.22 (2) a research-based and results-oriented approach focused on best teaching practices
422.23 to increase student proficiency and growth measured against state academic standards;

422.24 (3) strategies to combine pedagogy and best teaching practices to better inform
422.25 teacher candidates' classroom instruction;

422.26 (4) assessment, supervision, and evaluation of teacher candidates to determine
422.27 their specific needs throughout the program and to support their efforts to successfully
422.28 complete the program;

422.29 (5) intensive, ongoing, and multiyear professional learning opportunities that
422.30 accelerate teacher candidates' professional growth, support student learning, and provide a
422.31 workplace orientation, professional staff development, and mentoring and peer review
422.32 focused on standards of professional practice and continuous professional growth; and

422.33 (6) a requirement that teacher candidates demonstrate to the local site team under
422.34 subdivision 5 satisfactory progress toward acquiring a ~~standard license~~ professional
422.35 five-year teaching licenses from the Board of Teaching.

423.1 Subd. 3. **Program approval; disapproval.** (a) The Board of Teaching must approve
423.2 alternative teacher preparation programs under this section based on board-adopted
423.3 criteria that reflect best practices for alternative teacher preparation programs, consistent
423.4 with this section.

423.5 (b) The board must permit teacher candidates to demonstrate mastery of pedagogy
423.6 and content standards in school-based settings and through other nontraditional means.
423.7 "Nontraditional means" must include a portfolio of previous experiences, teaching
423.8 experience, educator evaluations, certifications marking the completion of education
423.9 training programs, and essentially equivalent demonstrations.

423.10 (c) The board must use nontraditional criteria to determine the qualifications of
423.11 program instructors.

423.12 (d) The board may permit instructors to hold a baccalaureate degree only.

423.13 (e) If the Board of Teaching determines that a teacher preparation program under this
423.14 section does not meet the requirements of this section, it may revoke its approval of the
423.15 program after it notifies the program provider of any deficiencies and gives the program
423.16 provider an opportunity to remedy the deficiencies.

423.17 Subd. 4. **Employment conditions.** Where applicable, teacher candidates with
423.18 ~~a limited-term~~ a preliminary teacher license under this section are members of the
423.19 local employee organization representing teachers and subject to the terms of the local
423.20 collective bargaining agreement between the exclusive representative of the teachers and
423.21 the school board. A collective bargaining agreement between a school board and the
423.22 exclusive representative of the teachers must not prevent or restrict or otherwise interfere
423.23 with a school district's ability to employ a teacher prepared under this section.

423.24 Subd. 5. **Approval for standard professional five-year license.** A school board
423.25 or its designee must appoint members to a local site team that includes teachers, school
423.26 administrators, and postsecondary faculty under subdivision 1, paragraph (a), clause
423.27 (1), or staff of a participating nonprofit corporation under subdivision 1, paragraph (a),
423.28 clause (2), to evaluate the performance of the teacher candidate. The evaluation must be
423.29 consistent with board-adopted performance measures, use the Minnesota state standards
423.30 of effective practice and subject matter content standards for teachers established in
423.31 Minnesota Rules, and include a report to the board recommending whether or not to issue
423.32 the teacher candidate a standard professional five-year teaching license.

423.33 Subd. 6. **Applicants trained in other states.** A person who successfully completes
423.34 another state's alternative teacher preparation program, consistent with section 122A.23,
423.35 ~~subdivision 1,~~ may apply to the Board of Teaching for a standard an initial professional
423.36 one-year teaching license ~~under subdivision 7~~ or a professional five-year teaching license.

424.1 Subd. 7. **Standard Professional five-year license.** The Board of Teaching must
424.2 issue a standard professional five-year teaching license to an otherwise qualified teacher
424.3 candidate under this section who successfully performs throughout a program under this
424.4 section, obtains qualifying scores on applicable board-adopted rigorous skills, pedagogy,
424.5 and content area examinations under section 122A.09, subdivision 4, paragraphs (a) and
424.6 (e), and is recommended for licensure under subdivision 5 or successfully demonstrates to
424.7 the board qualifications for licensure under subdivision 6.

424.8 Subd. 8. **Highly Qualified teacher.** A person holding a valid limited-term license
424.9 under this section is a highly qualified teacher and the teacher of record under section
424.10 122A.16.

424.11 Subd. 9. **Exchange of best practices.** By July 31 in an even-numbered year,
424.12 ~~a program participant and~~ approved alternative preparation program providers, the
424.13 Minnesota State Colleges and Universities, the University of Minnesota, the Minnesota
424.14 Private College Council, and the Department of Education must exchange information
424.15 about best practices and educational innovations.

424.16 Subd. 10. **Reports.** The Board of Teaching must submit an interim report on the
424.17 efficacy of this program to the policy and finance committees of the legislature with
424.18 jurisdiction over kindergarten through grade 12 education by February 15, 2013, and a
424.19 final report by February 15, 2015.

424.20 Sec. 6. Minnesota Statutes 2015 Supplement, section 122A.40, subdivision 8, is
424.21 amended to read:

424.22 Subd. 8. **Development, evaluation, and peer coaching for continuing contract**
424.23 **teachers.** (a) To improve student learning and success, a school board and an exclusive
424.24 representative of the teachers in the district, consistent with paragraph (b), may develop
424.25 a teacher evaluation and peer review process for probationary and continuing contract
424.26 teachers through joint agreement. If a school board and the exclusive representative of the
424.27 teachers do not agree to an annual teacher evaluation and peer review process, then the
424.28 school board and the exclusive representative of the teachers must implement the state
424.29 teacher evaluation plan under paragraph (c). The process must include having trained
424.30 observers serve as peer coaches or having teachers participate in professional learning
424.31 communities, consistent with paragraph (b).

424.32 (b) To develop, improve, and support qualified teachers and effective teaching
424.33 practices ~~and~~, improve student learning and success, and provide all enrolled students in
424.34 a district or school with improved and equitable access to more effective and diverse
424.35 teachers, the annual evaluation process for teachers:

425.1 (1) must, for probationary teachers, provide for all evaluations required under
425.2 subdivision 5;

425.3 (2) must establish a three-year professional review cycle for each teacher that
425.4 includes an individual growth and development plan, a peer review process, and at least
425.5 one summative evaluation performed by a qualified and trained evaluator such as a school
425.6 administrator. For the years when a tenured teacher is not evaluated by a qualified and
425.7 trained evaluator, the teacher must be evaluated by a peer review;

425.8 (3) must be based on professional teaching standards established in rule;

425.9 (4) must coordinate staff development activities under sections 122A.60 and
425.10 122A.61 with this evaluation process and teachers' evaluation outcomes;

425.11 (5) may provide time during the school day and school year for peer coaching and
425.12 teacher collaboration;

425.13 (6) may include job-embedded learning opportunities such as professional learning
425.14 communities;

425.15 (7) may include mentoring and induction programs for teachers, including teachers
425.16 who are members of populations underrepresented among the licensed teachers in
425.17 the district or school and who reflect the diversity of students under section 120B.35,
425.18 subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

425.19 (8) must include an option for teachers to develop and present a portfolio
425.20 demonstrating evidence of reflection and professional growth, consistent with section
425.21 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment
425.22 based on student work samples and examples of teachers' work, which may include video
425.23 among other activities for the summative evaluation;

425.24 (9) must use data from valid and reliable assessments aligned to state and local
425.25 academic standards and must use state and local measures of student growth and literacy
425.26 that may include value-added models or student learning goals to determine 35 percent of
425.27 teacher evaluation results;

425.28 (10) must use longitudinal data on student engagement and connection, and other
425.29 student outcome measures explicitly aligned with the elements of curriculum for which
425.30 teachers are responsible, including academic literacy, oral academic language, and
425.31 achievement of content areas of English learners;

425.32 (11) must require qualified and trained evaluators such as school administrators to
425.33 perform summative evaluations and ensure school districts and charter schools provide for
425.34 effective evaluator training specific to teacher development and evaluation;

426.1 (12) must give teachers not meeting professional teaching standards under clauses
426.2 (3) through (11) support to improve through a teacher improvement process that includes
426.3 established goals and timelines; and

426.4 (13) must discipline a teacher for not making adequate progress in the teacher
426.5 improvement process under clause (12) that may include a last chance warning,
426.6 termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or
426.7 other discipline a school administrator determines is appropriate.

426.8 Data on individual teachers generated under this subdivision are personnel data
426.9 under section 13.43. The observation and interview notes of peer coaches may only be
426.10 disclosed to other school officials with the consent of the teacher being coached.

426.11 (c) The department, in consultation with parents who may represent parent
426.12 organizations and teacher and administrator representatives appointed by their respective
426.13 organizations, representing the Board of Teaching, the Minnesota Association of School
426.14 Administrators, the Minnesota School Boards Association, the Minnesota Elementary
426.15 and Secondary Principals Associations, Education Minnesota, and representatives of
426.16 the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota
426.17 Chamber of Commerce, and Minnesota postsecondary institutions with research expertise
426.18 in teacher evaluation, must create and publish a teacher evaluation process that complies
426.19 with the requirements in paragraph (b) and applies to all teachers under this section and
426.20 section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher
426.21 evaluation and peer review process. The teacher evaluation process created under this
426.22 subdivision does not create additional due process rights for probationary teachers under
426.23 subdivision 5.

426.24 (d) Consistent with the measures of teacher effectiveness under this subdivision:

426.25 (1) for students in kindergarten through grade 4, a school administrator must not
426.26 place or approve the placement of a student in the classroom of a teacher who is in the
426.27 improvement process referenced in paragraph (b), clause (12), or has not had a summative
426.28 evaluation if, in the prior year, that student was in the classroom of a teacher who received
426.29 discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school
426.30 teaches that grade; and

426.31 (2) for students in grades 5 through 12, a school administrator must not place
426.32 or approve the placement of a student in the classroom of a teacher who is in the
426.33 improvement process referenced in paragraph (b), clause (12), or has not had a summative
426.34 evaluation if, in the prior year, that student was in the classroom of a teacher who received
426.35 discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school
426.36 teaches that subject area and grade.

427.1 All data created and used under this paragraph retains its classification under chapter 13.

427.2 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
427.3 later.

427.4 Sec. 7. Minnesota Statutes 2015 Supplement, section 122A.41, subdivision 5, is
427.5 amended to read:

427.6 Subd. 5. **Development, evaluation, and peer coaching for continuing contract**
427.7 **teachers.** (a) To improve student learning and success, a school board and an exclusive
427.8 representative of the teachers in the district, consistent with paragraph (b), may develop an
427.9 annual teacher evaluation and peer review process for probationary and nonprobationary
427.10 teachers through joint agreement. If a school board and the exclusive representative of
427.11 the teachers in the district do not agree to an annual teacher evaluation and peer review
427.12 process, then the school board and the exclusive representative of the teachers must
427.13 implement the state teacher evaluation plan developed under paragraph (c). The process
427.14 must include having trained observers serve as peer coaches or having teachers participate
427.15 in professional learning communities, consistent with paragraph (b).

427.16 (b) To develop, improve, and support qualified teachers and effective teaching
427.17 practices and improve student learning and success, and provide all enrolled students in
427.18 a district or school with improved and equitable access to more effective and diverse
427.19 teachers, the annual evaluation process for teachers:

427.20 (1) must, for probationary teachers, provide for all evaluations required under
427.21 subdivision 2;

427.22 (2) must establish a three-year professional review cycle for each teacher that
427.23 includes an individual growth and development plan, a peer review process, and at least
427.24 one summative evaluation performed by a qualified and trained evaluator such as a school
427.25 administrator;

427.26 (3) must be based on professional teaching standards established in rule;

427.27 (4) must coordinate staff development activities under sections 122A.60 and
427.28 122A.61 with this evaluation process and teachers' evaluation outcomes;

427.29 (5) may provide time during the school day and school year for peer coaching and
427.30 teacher collaboration;

427.31 (6) may include job-embedded learning opportunities such as professional learning
427.32 communities;

427.33 (7) may include mentoring and induction programs for teachers, including teachers
427.34 who are members of populations underrepresented among the licensed teachers in

428.1 the district or school and who reflect the diversity of students under section 120B.35,
428.2 subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

428.3 (8) must include an option for teachers to develop and present a portfolio
428.4 demonstrating evidence of reflection and professional growth, consistent with section
428.5 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment
428.6 based on student work samples and examples of teachers' work, which may include video
428.7 among other activities for the summative evaluation;

428.8 (9) must use data from valid and reliable assessments aligned to state and local
428.9 academic standards and must use state and local measures of student growth and literacy
428.10 that may include value-added models or student learning goals to determine 35 percent of
428.11 teacher evaluation results;

428.12 (10) must use longitudinal data on student engagement and connection and other
428.13 student outcome measures explicitly aligned with the elements of curriculum for which
428.14 teachers are responsible, including academic literacy, oral academic language, and
428.15 achievement of English learners;

428.16 (11) must require qualified and trained evaluators such as school administrators to
428.17 perform summative evaluations and ensure school districts and charter schools provide for
428.18 effective evaluator training specific to teacher development and evaluation;

428.19 (12) must give teachers not meeting professional teaching standards under clauses
428.20 (3) through (11) support to improve through a teacher improvement process that includes
428.21 established goals and timelines; and

428.22 (13) must discipline a teacher for not making adequate progress in the teacher
428.23 improvement process under clause (12) that may include a last chance warning,
428.24 termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or
428.25 other discipline a school administrator determines is appropriate.

428.26 Data on individual teachers generated under this subdivision are personnel data
428.27 under section 13.43. The observation and interview notes of peer coaches may only be
428.28 disclosed to other school officials with the consent of the teacher being coached.

428.29 (c) The department, in consultation with parents who may represent parent
428.30 organizations and teacher and administrator representatives appointed by their respective
428.31 organizations, representing the Board of Teaching, the Minnesota Association of School
428.32 Administrators, the Minnesota School Boards Association, the Minnesota Elementary
428.33 and Secondary Principals Associations, Education Minnesota, and representatives of
428.34 the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota
428.35 Chamber of Commerce, and Minnesota postsecondary institutions with research expertise
428.36 in teacher evaluation, must create and publish a teacher evaluation process that complies

429.1 with the requirements in paragraph (b) and applies to all teachers under this section and
429.2 section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher
429.3 evaluation and peer review process. The teacher evaluation process created under this
429.4 subdivision does not create additional due process rights for probationary teachers under
429.5 subdivision 2.

429.6 (d) Consistent with the measures of teacher effectiveness under this subdivision:

429.7 (1) for students in kindergarten through grade 4, a school administrator must not
429.8 place or approve the placement of a student in the classroom of a teacher who is in the
429.9 improvement process referenced in paragraph (b), clause (12), or has not had a summative
429.10 evaluation if, in the prior year, that student was in the classroom of a teacher who received
429.11 discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school
429.12 teaches that grade; and

429.13 (2) for students in grades 5 through 12, a school administrator must not place
429.14 or approve the placement of a student in the classroom of a teacher who is in the
429.15 improvement process referenced in paragraph (b), clause (12), or has not had a summative
429.16 evaluation if, in the prior year, that student was in the classroom of a teacher who received
429.17 discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school
429.18 teaches that subject area and grade.

429.19 All data created and used under this paragraph retains its classification under chapter 13.

429.20 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
429.21 later.

429.22 Sec. 8. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 1, is
429.23 amended to read:

429.24 Subdivision 1. **Restructured pay system.** A restructured alternative teacher
429.25 professional pay system is established under subdivision 2 to provide incentives to
429.26 encourage teachers to improve their knowledge and instructional skills in order to improve
429.27 student learning and for school districts, intermediate school districts, cooperative units,
429.28 as defined in section 123A.24, subdivision 2, and charter schools to recruit and retain
429.29 ~~highly~~ qualified teachers, encourage ~~highly~~ qualified teachers to undertake challenging
429.30 assignments, and support teachers' roles in improving students' educational achievement.

429.31 Sec. 9. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2, is
429.32 amended to read:

429.33 Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this
429.34 program, a school district, an intermediate school district consistent with paragraph (d), a

430.1 school site, or a charter school must have an educational improvement plan under section
430.2 ~~122A.413~~ a world's best workforce plan under section 120B.11 and an alternative teacher
430.3 professional pay system agreement under paragraph (b). A charter school participant also
430.4 must comply with subdivision 2a.

430.5 (b) The alternative teacher professional pay system agreement must:

430.6 (1) describe how teachers can achieve career advancement and additional
430.7 compensation;

430.8 (2) describe how the school district, intermediate school district, school site, or
430.9 charter school will provide teachers with career advancement options that allow teachers
430.10 to retain primary roles in student instruction and facilitate site-focused professional
430.11 development that helps other teachers improve their skills;

430.12 (3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation
430.13 paid before implementing the pay system from being reduced as a result of participating in
430.14 this system, base at least 60 percent of any compensation increase on teacher performance
430.15 using:

430.16 (i) schoolwide student achievement gains under section 120B.35 or locally selected
430.17 standardized assessment outcomes, or both;

430.18 (ii) measures of student growth and literacy that may include value-added models
430.19 or student learning goals, consistent with section 122A.40, subdivision 8, paragraph
430.20 (b), clause (9), or 122A.41, subdivision 5, paragraph (b), clause (9), and other measures
430.21 that include the academic literacy, oral academic language, and achievement of English
430.22 learners under section 122A.40, subdivision 8, paragraph (b), clause (10), or 122A.41,
430.23 subdivision 5, paragraph (b), clause (10); and

430.24 (iii) an objective evaluation program under section 122A.40, subdivision 8,
430.25 paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

430.26 (4) provide for participation in job-embedded learning opportunities such as
430.27 professional learning communities to improve instructional skills and learning that are
430.28 aligned with student needs under section ~~122A.413~~ 120B.11, consistent with the staff
430.29 development plan under section 122A.60 and led during the school day by trained teacher
430.30 leaders such as master or mentor teachers;

430.31 (5) allow any teacher in a participating school district, intermediate school district,
430.32 school site, or charter school that implements an alternative pay system to participate in
430.33 that system without any quota or other limit; and

430.34 (6) encourage collaboration rather than competition among teachers.

430.35 (c) The alternative teacher professional pay system may:

431.1 (1) include a hiring bonus or other added compensation for teachers who are
431.2 identified as effective or highly effective under the local teacher professional review
431.3 cycle and work in a hard-to-fill position or in a hard-to-staff school such as a school with
431.4 a majority of students whose families meet federal poverty guidelines, a geographically
431.5 isolated school, or a school identified by the state as eligible for targeted programs or
431.6 services for its students; and

431.7 (2) include incentives for teachers to obtain a master's degree or other advanced
431.8 certification in their content field of licensure, pursue the training or education necessary
431.9 to obtain an additional licensure in shortage areas identified by the district or charter
431.10 school, or help fund a "grow your own" new teacher initiative.

431.11 (d) An intermediate school district under this subdivision must demonstrate in a
431.12 form and manner determined by the commissioner that it uses the aid it receives under this
431.13 section for activities identified in the alternative teacher professional pay system agreement.

431.14 Sec. 10. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2b,
431.15 is amended to read:

431.16 Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section
431.17 and ~~sections 122A.413 and section 122A.415~~, the department must prepare and transmit
431.18 to interested school districts, intermediate school districts, cooperatives, school sites,
431.19 and charter schools a standard form for applying to participate in the alternative teacher
431.20 professional pay system. The commissioner annually must establish three dates as
431.21 deadlines by which interested applicants must submit an application to the commissioner
431.22 under this section. An interested school district, intermediate school district, cooperative,
431.23 school site, or charter school must submit to the commissioner a completed application
431.24 executed by the district superintendent and the exclusive bargaining representative of the
431.25 teachers if the applicant is a school district, intermediate school district, or school site, or
431.26 executed by the charter school board of directors if the applicant is a charter school or
431.27 executed by the governing board if the applicant is a cooperative unit. The application
431.28 must include the proposed alternative teacher professional pay system agreement under
431.29 subdivision 2. The department must review a completed application within 30 days of
431.30 the most recent application deadline and recommend to the commissioner whether to
431.31 approve or disapprove the application. The commissioner must approve applications
431.32 on a first-come, first-served basis. The applicant's alternative teacher professional pay
431.33 system agreement must be legally binding on the applicant and the collective bargaining
431.34 representative before the applicant receives alternative compensation revenue. The

432.1 commissioner must approve or disapprove an application based on the requirements
432.2 under subdivisions 2 and 2a.

432.3 (b) If the commissioner disapproves an application, the commissioner must give the
432.4 applicant timely notice of the specific reasons in detail for disapproving the application.
432.5 The applicant may revise and resubmit its application and related documents to the
432.6 commissioner within 30 days of receiving notice of the commissioner's disapproval and
432.7 the commissioner must approve or disapprove the revised application, consistent with this
432.8 subdivision. Applications that are revised and then approved are considered submitted on
432.9 the date the applicant initially submitted the application.

432.10 Sec. 11. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 3,
432.11 is amended to read:

432.12 Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate school
432.13 districts, cooperatives, school sites, and charter schools must report on the implementation
432.14 and effectiveness of the alternative teacher professional pay system, particularly
432.15 addressing each requirement under subdivision 2 and make annual recommendations by
432.16 June 15 to their school boards. ~~The school board, board of directors, or governing board~~
432.17 ~~shall transmit a copy of the report with a summary of the findings and recommendations~~
432.18 ~~of the district, intermediate school district, cooperative, school site, or charter school to~~
432.19 ~~the commissioner in the form and manner determined by the commissioner.~~

432.20 (b) ~~If the commissioner determines that a school district, intermediate school district,~~
432.21 ~~cooperative, school site, or charter school that receives alternative teacher compensation~~
432.22 ~~revenue is not complying with the requirements of this section, the commissioner~~
432.23 ~~may withhold funding from that participant. Before making the determination, the~~
432.24 ~~commissioner must notify the participant of any deficiencies and provide the participant~~
432.25 ~~an opportunity to comply. A district must include the report required under paragraph (a)~~
432.26 ~~as part of the world's best workforce report under section 120B.11, subdivision 5.~~

432.27 Sec. 12. Minnesota Statutes 2014, section 122A.4144, is amended to read:

432.28 **122A.4144 SUPPLEMENTAL AGREEMENTS; ALTERNATIVE TEACHER**
432.29 **PAY.**

432.30 Notwithstanding section 179A.20 or other law to the contrary, a school board and
432.31 the exclusive representative of the teachers may agree to reopen a collective bargaining
432.32 agreement for the purpose of entering into an alternative teacher professional pay system
432.33 agreement under sections ~~122A.413~~, 122A.414, and 122A.415. Negotiations for a contract

433.1 reopened under this section must be limited to issues related to the alternative teacher
433.2 professional pay system.

433.3 Sec. 13. Minnesota Statutes 2015 Supplement, section 122A.415, subdivision 4,
433.4 is amended to read:

433.5 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative
433.6 teacher compensation aid for a school with a plan approved under section 122A.414,
433.7 subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under
433.8 subdivision 1. The basic alternative teacher compensation aid for a charter school with a
433.9 plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the
433.10 number of pupils enrolled in the school on October 1 of the previous year, or on October
433.11 1 of the current year for a charter school in the first year of operation, times the ratio of
433.12 the sum of the alternative teacher compensation aid and alternative teacher compensation
433.13 levy for all participating school districts to the maximum alternative teacher compensation
433.14 revenue for those districts under subdivision 1.

433.15 (b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative
433.16 teacher compensation aid entitlement must not exceed \$75,840,000 for fiscal year 2016
433.17 and \$88,118,000 for fiscal year 2017 and later. The commissioner must limit the amount
433.18 of alternative teacher compensation aid approved under this section so as not to exceed
433.19 these limits by not approving new participants or by prorating the aid among participating
433.20 districts, intermediate school districts, school sites, and charter schools. The commissioner
433.21 may also reallocate a portion of the allowable aid for the biennium from the second year
433.22 to the first year to meet the needs of approved participants. Basic alternative teacher
433.23 compensation aid for an intermediate district or other cooperative unit equals \$3,000 times
433.24 the number of licensed teachers employed by the intermediate district or cooperative unit
433.25 on October 1 of the previous school year.

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

433.27 Sec. 14. Minnesota Statutes 2014, section 122A.416, is amended to read:

433.28 **122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE**
433.29 **FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT**
433.30 **INTEGRATION COLLABORATIVES.**

433.31 Notwithstanding sections ~~122A.413~~, 122A.414, 122A.415, and 126C.10,
433.32 multidistrict integration collaboratives and the Perpich Center for Arts Education are
433.33 eligible to receive alternative teacher compensation revenue as if they were intermediate

434.1 school districts. To qualify for alternative teacher compensation revenue, a multidistrict
434.2 integration collaborative or the Perpich Center for Arts Education must meet all of the
434.3 requirements of sections ~~122A.413~~, 122A.414, and 122A.415 that apply to intermediate
434.4 school districts, must report its enrollment as of October 1 of each year to the department,
434.5 and must annually report its expenditures for the alternative teacher professional pay
434.6 system consistent with the uniform financial accounting and reporting standards to the
434.7 department by November 30 of each year.

434.8 Sec. 15. Minnesota Statutes 2014, section 122A.42, is amended to read:

434.9 **122A.42 GENERAL CONTROL OF SCHOOLS.**

434.10 (a) The teacher of record shall have the general control and government of the
434.11 school and classroom. When more than one teacher is employed in any district, one of the
434.12 teachers may be designated by the board as principal and shall have the general control
434.13 and supervision of the schools of the district, subject to the general supervisory control
434.14 of the board and other officers.

434.15 (b) Consistent with paragraph (a), the teacher may remove students from class under
434.16 section 121A.61, subdivision 2, for violent or disruptive conduct.

434.17 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
434.18 later.

434.19 Sec. 16. Minnesota Statutes 2015 Supplement, section 122A.60, subdivision 4, is
434.20 amended to read:

434.21 Subd. 4. **Staff development report.** (a) ~~By October 15 of each year,~~ The district
434.22 and site staff development committees shall write ~~and submit~~ a report of staff development
434.23 activities and expenditures for the previous year, ~~in the form and manner determined by~~
434.24 ~~the commissioner.~~ The report, signed by the district superintendent and staff development
434.25 chair, must include assessment and evaluation data indicating progress toward district and
434.26 site staff development goals based on teaching and learning outcomes, including the
434.27 percentage of teachers and other staff involved in instruction who participate in effective
434.28 staff development activities under subdivision 3 as part of the district's world's best
434.29 workforce report under section 120B.11, subdivision 5.

434.30 (b) The report must break down expenditures for:

434.31 (1) curriculum development and curriculum training programs; and

434.32 (2) staff development training models, workshops, and conferences, and the cost of
434.33 releasing teachers or providing substitute teachers for staff development purposes.

435.1 The report also must indicate whether the expenditures were incurred at the district
435.2 level or the school site level, and whether the school site expenditures were made possible
435.3 by grants to school sites that demonstrate exemplary use of allocated staff development
435.4 revenue. These expenditures must be reported using the uniform financial and accounting
435.5 and reporting standards.

435.6 ~~(e) The commissioner shall report the staff development progress and expenditure~~
435.7 ~~data to the house of representatives and senate committees having jurisdiction over~~
435.8 ~~education by February 15 each year.~~

435.9 Sec. 17. Minnesota Statutes 2014, section 122A.63, subdivision 1, is amended to read:

435.10 Subdivision 1. **Establishment.** (a) A grant program is established to assist American
435.11 Indian people to become teachers and to provide additional education for American Indian
435.12 teachers. The commissioner may award a joint grant to each of the following:

435.13 (1) the Duluth campus of the University of Minnesota and Independent School
435.14 District No. 709, Duluth;

435.15 (2) Bemidji State University and Independent School District No. 38, Red Lake;

435.16 (3) Moorhead State University and one of the school districts located within the
435.17 White Earth Reservation; and

435.18 (4) Augsburg College, Independent School District No. 625, St. Paul, and Special
435.19 School District No. 1, Minneapolis.

435.20 (b) If additional funds are available, the commissioner may award additional joint
435.21 grants to other postsecondary institutions and school districts.

435.22 Sec. 18. Minnesota Statutes 2014, section 122A.72, subdivision 5, is amended to read:

435.23 Subd. 5. **Center functions.** (a) A teacher center shall perform functions according
435.24 to this subdivision. The center shall assist teachers, diagnose learning needs, experiment
435.25 with the use of multiple instructional approaches, assess pupil outcomes, assess staff
435.26 development needs and plans, and teach school personnel about effective pedagogical
435.27 approaches. The center shall develop and produce curricula and curricular materials
435.28 designed to meet the educational needs of pupils being served, by applying educational
435.29 research and new and improved methods, practices, and techniques. The center shall
435.30 provide programs to improve the skills of teachers to meet the special educational needs of
435.31 pupils. The center shall provide programs to familiarize teachers with developments in
435.32 curriculum formulation and educational research, including how research can be used to
435.33 improve teaching skills. The center shall facilitate sharing of resources, ideas, methods,
435.34 and approaches directly related to classroom instruction and improve teachers' familiarity

436.1 with current teaching materials and products for use in their classrooms. The center shall
436.2 provide in-service programs.

436.3 (b) Each teacher center must provide a professional development program to train
436.4 interested and highly qualified elementary, middle, and secondary teachers, selected by the
436.5 employing school district, to assist other teachers in that district with mathematics and
436.6 science curriculum, standards, and instruction so that all teachers have access to:

436.7 (1) high quality professional development programs in mathematics and science that
436.8 address curriculum, instructional methods, alignment of standards, and performance
436.9 measurements, enhance teacher and student learning, and support state mathematics and
436.10 science standards; and

436.11 (2) research-based mathematics and science programs and instructional models
436.12 premised on best practices that inspire teachers and students and have practical classroom
436.13 application.

436.14 Sec. 19. Minnesota Statutes 2014, section 124D.861, as amended by Laws 2015,
436.15 chapter 21, article 1, section 20, is amended to read:

436.16 **124D.861 ACHIEVEMENT AND INTEGRATION FOR MINNESOTA.**

436.17 Subdivision 1. **Program to close the academic achievement and opportunity gap;**
436.18 **revenue uses.** (a) The "Achievement and Integration for Minnesota" program is established
436.19 to pursue racial and economic integration and increase student academic achievement,
436.20 create equitable educational opportunities, and reduce academic disparities based on
436.21 students' diverse racial, ethnic, and economic backgrounds in Minnesota public schools.

436.22 (b) For purposes of this section and section 124D.862, "eligible district" means a
436.23 district required to submit a plan to the commissioner under Minnesota Rules governing
436.24 school desegregation and integration, or be a member of a multidistrict integration
436.25 collaborative that files a plan with the commissioner.

436.26 (c) Eligible districts must use the revenue under section 124D.862 to pursue
436.27 academic achievement and racial and economic integration through:

436.28 (1) integrated learning environments that give students improved and equitable
436.29 access to effective and more diverse teachers, prepare all students to be effective citizens,
436.30 and enhance social cohesion;

436.31 (2) policies and curricula and trained instructors, administrators, school counselors,
436.32 and other advocates to support and enhance integrated learning environments under
436.33 this section, including through magnet schools, innovative, research-based instruction,
436.34 differentiated instruction, improved and equitable access to effective and diverse teachers,
436.35 and targeted interventions to improve achievement; and

437.1 (3) rigorous career and college readiness programs and effective and more diverse
437.2 instructors for underserved student populations, consistent with section 120B.30,
437.3 subdivision 1; integrated learning environments to increase student academic achievement;
437.4 cultural fluency, competency, and interaction; graduation and educational attainment rates;
437.5 and parent involvement.

437.6 (d) Consistent with paragraph (c), eligible districts may adopt policies to increase the
437.7 diversity of district teachers and administrators using the revenue under section 124D.862
437.8 for recruitment, retention, and hiring incentives or additional compensation.

437.9 Subd. 2. **Plan implementation; components.** (a) The school board of each eligible
437.10 district must formally develop and implement a long-term plan under this section. The plan
437.11 must be incorporated into the district's comprehensive strategic plan under section 120B.11.
437.12 Plan components may include: innovative and integrated prekindergarten through grade 12
437.13 learning environments that offer students school enrollment choices; family engagement
437.14 initiatives that involve families in their students' academic life and success; professional
437.15 development opportunities for teachers and administrators focused on improving the
437.16 academic achievement of all students, including teachers and administrators who are
437.17 members of populations underrepresented among the licensed teachers or administrators
437.18 in the district or school and who reflect the diversity of students under section 120B.35,
437.19 subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

437.20 increased programmatic opportunities and effective and more diverse instructors focused
437.21 on rigor and college and career readiness for underserved students, including students
437.22 enrolled in alternative learning centers under section 123A.05, public alternative programs
437.23 under section 126C.05, subdivision 15, and contract alternative programs under section
437.24 124D.69, among other underserved students; or recruitment and retention of teachers and
437.25 administrators with diverse racial and ethnic backgrounds. The plan must contain goals for:

437.26 (1) reducing the disparities in academic achievement and in equitable access to
437.27 effective and more diverse teachers among all students and specific categories of students
437.28 under section 120B.35, subdivision 3, paragraph (b), excluding the student categories of
437.29 gender, disability, and English learners; and

437.30 (2) increasing racial and economic diversity and integration in schools and districts.

437.31 (b) Among other requirements, an eligible district must implement effective,
437.32 research-based interventions that include formative assessment practices to reduce the
437.33 disparities in student academic performance among the specific categories of students as
437.34 measured by student progress and growth on state reading and math assessments and
437.35 as aligned with section 120B.11.

438.1 (c) Eligible districts must create efficiencies and eliminate duplicative programs
438.2 and services under this section, which may include forming collaborations or a single,
438.3 seven-county metropolitan areawide partnership of eligible districts for this purpose.

438.4 Subd. 3. **Public engagement; progress report and budget process.** (a) To
438.5 receive revenue under section 124D.862, the school board of an eligible district must
438.6 incorporate school and district plan components under section 120B.11 into the district's
438.7 comprehensive integration plan.

438.8 (b) A school board must hold at least one formal annual hearing to publicly report
438.9 its progress in realizing the goals identified in its plan. At the hearing, the board must
438.10 provide the public with longitudinal data demonstrating district and school progress in
438.11 reducing the disparities in student academic performance among the specified categories
438.12 of students, in improving students' equitable access to effective and more diverse teachers,
438.13 and in realizing racial and economic diversity and integration, consistent with the district
438.14 plan and the measures in paragraph (a). At least 30 days before the formal hearing under
438.15 this paragraph, the board must post its plan, its preliminary analysis, relevant student
438.16 performance data, and other longitudinal data on the district's Web site. A district must
438.17 hold one hearing to meet the hearing requirements of both this section and section 120B.11.

438.18 (c) The district must submit a detailed budget to the commissioner by March 15 in
438.19 the year before it implements its plan. The commissioner must review, and approve or
438.20 disapprove the district's budget by June 1 of that year.

438.21 (d) The longitudinal data required under paragraph (b) must be based on student
438.22 growth and progress in reading and mathematics, as defined under section 120B.30,
438.23 subdivision 1, and student performance data and achievement reports from fully adaptive
438.24 reading and mathematics assessments for grades 3 through 7 beginning in the 2015-2016
438.25 school year under section 120B.30, subdivision 1a, and either (i) school enrollment
438.26 choices, (ii) the number of world language proficiency or high achievement certificates
438.27 awarded under section 120B.022, subdivision 1a, or the number of state bilingual and
438.28 multilingual seals issued under section 120B.022, subdivision 1b, or (iii) school safety
438.29 and students' engagement and connection at school under section 120B.35, subdivision 3,
438.30 paragraph (d). Additional longitudinal data may be based on: students' progress toward
438.31 career and college readiness under section 120B.30, subdivision 1; or rigorous coursework
438.32 completed under section 120B.35, subdivision 3, paragraph (c), clause (2).

438.33 Subd. 4. **Timeline and implementation.** A board must approve its plan and submit
438.34 it to the department by March 15. If a district that is part of a multidistrict council applies
438.35 for revenue for a plan, the individual district shall not receive revenue unless it ratifies
438.36 the plan adopted by the multidistrict council. Each plan has a term of three years. For

439.1 the 2014-2015 school year, an eligible district under this section must submit its plan to
439.2 the commissioner for review by March 15, 2014. For the 2013-2014 school year only,
439.3 an eligible district may continue to implement its current plan until the commissioner
439.4 approves a new plan under this section.

439.5 Subd. 5. **Evaluation.** The commissioner must evaluate the efficacy of district
439.6 plans in reducing the disparities in student academic performance among the specified
439.7 categories of students within the district, improving students' equitable access to effective
439.8 and diverse teachers, and in realizing racial and economic diversity and integration.
439.9 The commissioner shall report evaluation results to the kindergarten through grade 12
439.10 education committees of the legislature by February 1 of every odd-numbered year.

439.11 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
439.12 later.

439.13 Sec. 20. Minnesota Statutes 2015 Supplement, section 127A.05, subdivision 6, is
439.14 amended to read:

439.15 Subd. 6. **Survey of districts.** The commissioner of education shall survey the state's
439.16 school districts and teacher preparation programs and report to the education committees
439.17 of the legislature by February 1 of each odd-numbered year on the status of teacher early
439.18 retirement patterns, the access to effective and more diverse teachers who reflect the
439.19 students under section 120B.35, subdivision 3, paragraph (b), clause (2), enrolled in
439.20 a district or school, the teacher shortage, and the substitute teacher shortage, including
439.21 patterns and shortages in subject areas and the economic development regions of the state.
439.22 The report must also include: aggregate data on teachers' self-reported race and ethnicity;
439.23 data on how districts are making progress in hiring teachers and substitutes in the areas
439.24 of shortage; and a five-year projection of teacher demand for each district, taking into
439.25 account the students under section 120B.35, subdivision 3, paragraph (b), clause (2),
439.26 expected to enroll in the district during that five-year period.

439.27 Sec. 21. **[136F.361] CAREER AND TECHNICAL EDUCATION**
439.28 **CERTIFICATION AND LICENSURE.**

439.29 (a) The Board of Trustees of the Minnesota State Colleges and Universities
439.30 System, consistent with section 122A.09, subdivision 10, paragraph (e), must provide
439.31 an alternative preparation program allowing individuals to be certified as a career and
439.32 technical education instructor able to teach career and technical education courses offered
439.33 by a school district or charter school. The Board of Trustees may locate the first program
439.34 in the seven county metropolitan area.

440.1 (b) Consistent with paragraph (a), the Board of Trustees of the Minnesota State
440.2 Colleges and Universities system, in consultation with the Board of Teaching, must
440.3 develop the standards, pedagogy, and curriculum for an alternative preparation program to
440.4 prepare qualified individuals: to attain certification as a career and technical education
440.5 instructor under section 122A.09, subdivision 10, paragraph (e), during the 2016-2017
440.6 through 2018-2019 school years; and to attain either certification or licensure as a career
440.7 and technical education instructor or teacher to teach career and technical education
440.8 courses offered by a school district or charter school in the 2019-2020 school year and later.

440.9 **EFFECTIVE DATE.** This section is effective for the 2016-2017 academic year
440.10 and later.

440.11 Sec. 22. **STAFF DEVELOPMENT GRANTS FOR INTERMEDIATE SCHOOL**
440.12 **DISTRICTS AND OTHER COOPERATIVE UNITS.**

440.13 (a) For fiscal years 2017, 2018, and 2019 only, an intermediate school district or
440.14 other cooperative unit providing instruction to students in federal instructional settings
440.15 of level 4 or higher qualifies for staff development grants equal to \$1,000 times the
440.16 full-time equivalent number of licensed instructional staff and nonlicensed classroom
440.17 aides employed by or assigned to the intermediate school district or other cooperative unit
440.18 during the previous fiscal year.

440.19 (b) Staff development grants received under this section must be used for activities
440.20 related to enhancing services to students who may have challenging behaviors or mental
440.21 health issues or be suffering from trauma. Specific qualifying staff development activities
440.22 include but are not limited to:

440.23 (1) proactive behavior management;

440.24 (2) personal safety training;

440.25 (3) de-escalation techniques; and

440.26 (4) adaptation of published curriculum and pedagogy for students with complex
440.27 learning and behavioral needs.

440.28 (c) The grants received under this section must be reserved and spent only on the
440.29 activities specified in this section. If funding for purposes of this section is insufficient,
440.30 the commissioner must prorate the grants.

440.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
440.32 and later.

441.1 Sec. 23. **CAREER AND TECHNICAL EDUCATOR LICENSING ADVISORY**
441.2 **TASK FORCE.**

441.3 Subdivision 1. **Creation.** The Career and Technical Educator Licensing Advisory
441.4 Task Force consists of the following members, appointed by the commissioner of
441.5 education, unless otherwise specified:

441.6 (1) one person who is a member of the Board of Teaching;

441.7 (2) one person representing colleges and universities offering a board-approved
441.8 teacher preparation program;

441.9 (3) one person representing science, technology, engineering, and math programs,
441.10 such as Project Lead the Way;

441.11 (4) one person designated by the Board of the Minnesota Association for Career and
441.12 Technical Administrators;

441.13 (5) one person designated by the Board of the Minnesota Association for Career
441.14 and Technical Education;

441.15 (6) three people who are secondary school administrators, including superintendents,
441.16 principals, and assistant principals; and

441.17 (7) two people who are members of other interested groups, as determined by the
441.18 commissioner of education.

441.19 The commissioner and designating authorities must make their initial appointments
441.20 and designations by July 1, 2016. The commissioner and designating authorities, to the
441.21 extent practicable, should make appointments balanced as to gender and reflecting the
441.22 ethnic diversity of the state population.

441.23 Subd. 2. **Duties; report.** The task force must review the current status of career and
441.24 technical educator licenses and provide recommendations on changes, if any are deemed
441.25 necessary, to the licensure requirements and methods to increase access for school districts
441.26 to licensed career and technical educators. The task force must report its findings and
441.27 recommendations, with draft legislation if needed to implement the recommendations, to
441.28 the chairs and ranking minority members of the legislative committees with jurisdiction
441.29 over kindergarten through grade 12 education and higher education by January 15, 2017.

441.30 Subd. 3. **First meeting.** The commissioner of education or the commissioner's
441.31 designee must convene the first meeting of the task force by September 1, 2016.

441.32 Subd. 4. **Administrative support.** The commissioner of education must provide
441.33 meeting space and administrative services for the task force.

442.1 Subd. 5. **Chair.** The commissioner of education or the commissioner's designee
442.2 shall serve as chair of the task force.

442.3 Subd. 6. **Compensation.** The public members of the task force serve without
442.4 compensation or payment of expenses.

442.5 Subd. 7. **Expiration.** The task force expires January 16, 2017, or upon submission
442.6 of the report required in subdivision 2, whichever is earlier.

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

442.8 Sec. 24. **LEGISLATIVE STUDY GROUP ON EDUCATOR LICENSURE.**

442.9 (a) A 12-member legislative study group on teacher licensure is created to review
442.10 the 2016 report prepared by the Office of the Legislative Auditor on the Minnesota teacher
442.11 licensure program and submit a written report by February 1, 2017, to the legislature
442.12 recommending how to restructure Minnesota's teacher licensure system by consolidating
442.13 all teacher licensure activities into a single state entity to ensure transparency and
442.14 consistency or, at a minimum, clarify existing teacher licensure responsibilities to provide
442.15 transparency and consistency. In developing its recommendations, the study group must
442.16 consider the tiered licensure system recommended in the legislative auditor's report,
442.17 among other recommendations. The study group must identify and include in its report
442.18 any statutory changes needed to implement the study group recommendations.

442.19 (b) The legislative study group on educator licensure includes:

442.20 (1) six duly elected and currently serving members of the house of representatives,
442.21 three appointed by the speaker of the house and three appointed by the house minority
442.22 leader, and one of whom must be the current chair of the house of representatives
442.23 Education Innovation Policy Committee; and

442.24 (2) six duly elected and currently serving senators, three appointed by the senate
442.25 majority leader and three appointed by the senate minority leader, one of whom must be
442.26 the current chair of the senate Education Committee.

442.27 Only duly elected and currently serving members of the house of representatives or senate
442.28 may be study group members.

442.29 (c) The appointments must be made by June 1, 2016, and expire February 2, 2017.

442.30 If a vacancy occurs, the leader of the caucus in the house of representatives or senate to
442.31 which the vacating study group member belonged must fill the vacancy. The chair of the
442.32 house Education Innovation Policy Committee shall convene the first meeting of the study
442.33 group. The study group shall elect a chair or cochairs from among the members at the

443.1 first meeting. The study group must meet periodically. The Legislative Coordinating
443.2 Commission shall provide technical and administrative assistance upon request.

443.3 (d) In reviewing the legislative auditor's report and developing its recommendations,
443.4 the study group must consult with interested and affected stakeholders, including
443.5 representatives of the Board of Teaching, Minnesota Department of Education, Education
443.6 Minnesota, MinnCAN, Minnesota Business Partnership, Minnesota Rural Education
443.7 Association, Association of Metropolitan School Districts, Minnesota Association of
443.8 Colleges for Teacher Education, College of Education and Human Development at
443.9 the University of Minnesota, Minnesota State Colleges and Universities, Minnesota
443.10 Private College Council, Minnesota School Boards Association, Minnesota Elementary
443.11 School Principals' Association, Minnesota Association of Secondary School Principals,
443.12 Minnesota Association of School Administrators, the Board of School Administrators,
443.13 Minnesota Indian Affairs Council, the Council on Asian Pacific Minnesotans, Council
443.14 for Minnesotans of African Heritage, Minnesota Council on Latino Affairs, Minnesota
443.15 Association of Educators, and Minnesota Teach For America, among other stakeholders.

443.16 (e) The study group expires February 2, 2017, unless extended by law.

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

443.18 **ARTICLE 25**

443.19 **EDUCATION EXCELLENCE**

443.20 Section 1. **[119A.035] SCHOOL CRISIS RESPONSE TEAMS.**

443.21 Subdivision 1. **Commissioner's duties.** To ensure timely responses to school crises,
443.22 the commissioner must work in cooperation with the Minnesota School Safety Center to
443.23 collect, maintain, and make available to schools contact information for crisis response
443.24 teams throughout the state.

443.25 Subd. 2. **Crisis response teams.** In regions of Minnesota where an existing crisis
443.26 response team has not been formed by a school district, county, or city, the commissioner,
443.27 in cooperation with the Minnesota School Safety Center, must convene a working group
443.28 in each region to develop a plan to form a crisis response team for that region. Team
443.29 members from the public and private sectors may represent various disciplines, including
443.30 school administrators, guidance counselors, psychologists, social workers, teachers,
443.31 nurses, security experts, media relations professionals, and other related areas.

443.32 Sec. 2. Minnesota Statutes 2014, section 120A.42, is amended to read:

443.33 **120A.42 CONDUCT OF SCHOOL ON CERTAIN HOLIDAYS.**

444.1 (a) The governing body of any district may contract with any of the teachers of the
444.2 district for the conduct of schools, and may conduct schools, on either, or any, of the
444.3 following holidays, provided that a clause to this effect is inserted in the teacher's contract:
444.4 Martin Luther King's birthday, Lincoln's and Washington's birthdays, Columbus Day
444.5 and Veterans' Day. On Martin Luther King's birthday, Washington's birthday, Lincoln's
444.6 birthday, and Veterans' Day at least one hour of the school program must be devoted to a
444.7 patriotic observance of the day.

444.8 (b) A district may conduct a school program to honor Constitution Day and
444.9 Citizenship Day by providing opportunities for students to learn about the principles of
444.10 American democracy, the American system of government, American citizens' rights and
444.11 responsibilities, American history, and American geography, symbols, and holidays.
444.12 Among other activities under this paragraph, districts may administer to students the test
444.13 questions United States Citizenship and Immigration Services officers pose to applicants
444.14 for naturalization.

444.15 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
444.16 later.

444.17 Sec. 3. Minnesota Statutes 2014, section 120B.02, is amended by adding a subdivision
444.18 to read:

444.19 Subd. 3. **Required knowledge and understanding of civics.** (a) For purposes of
444.20 this subdivision, "civics test questions" means 50 of the 100 questions that, as of January 1,
444.21 2015, United States citizenship and immigration services officers use to select the questions
444.22 they pose to applicants for naturalization so the applicants can demonstrate their knowledge
444.23 and understanding of the fundamentals of United States history and government, as
444.24 required by United States Code, title 8, section 1423. The Learning Law and Democracy
444.25 Foundation, in consultation with Minnesota civics teachers, must select by July 1 each year
444.26 50 of the 100 questions under this paragraph to serve as the state's civics test questions for
444.27 the proximate school year and immediately transmit the 50 selected civics test questions to
444.28 the department and to the Legislative Coordinating Commission, which must post the 50
444.29 questions it receives on the Minnesota's Legacy Web site by August 1 of that year.

444.30 (b) A student enrolled in a public school must correctly answer at least 30 of the
444.31 50 civics test questions. A school or district may record on a student's transcript that the
444.32 student answered at least 30 of 50 civics test questions correctly. A school or district may
444.33 exempt a student with disabilities from this requirement if the student's individualized
444.34 education program team determines the requirement is inappropriate and establishes an

445.1 alternative requirement. A school or district may administer the civics test questions in a
445.2 language other than English to students who qualify for English learner services.

445.3 (c) Schools and districts may administer civics test questions as part of the social
445.4 studies curriculum. A district must not prevent a student from graduating or deny a student
445.5 a high school diploma for failing to correctly answer at least 30 of 50 civics test questions.

445.6 (d) The commissioner and public schools and school districts must not charge
445.7 students any fees related to this subdivision.

445.8 **EFFECTIVE DATE.** This section is effective for students enrolling in grade 9 in
445.9 the 2017-2018 school year or later.

445.10 Sec. 4. Minnesota Statutes 2014, section 120B.021, subdivision 1, is amended to read:

445.11 Subdivision 1. **Required academic standards.** (a) The following subject areas
445.12 are required for statewide accountability:

445.13 (1) language arts;

445.14 (2) mathematics;

445.15 (3) science;

445.16 (4) social studies, including history, geography, economics, and government and
445.17 citizenship that includes civics consistent with section 120B.02, subdivision 3;

445.18 (5) physical education;

445.19 (6) health, for which locally developed academic standards apply; and

445.20 (7) the arts, for which statewide or locally developed academic standards apply, as
445.21 determined by the school district. Public elementary and middle schools must offer at least
445.22 three and require at least two of the following four arts areas: dance; music; theater; and
445.23 visual arts. Public high schools must offer at least three and require at least one of the
445.24 following five arts areas: media arts; dance; music; theater; and visual arts.

445.25 (b) For purposes of applicable federal law, the academic standards for language arts,
445.26 mathematics, and science apply to all public school students, except the very few students
445.27 with extreme cognitive or physical impairments for whom an individualized education
445.28 program team has determined that the required academic standards are inappropriate. An
445.29 individualized education program team that makes this determination must establish
445.30 alternative standards.

445.31 (c) Beginning in the 2016-2017 school year, the department must adopt the most
445.32 recent National Association of Sport and Physical Education kindergarten through grade
445.33 12 standards and benchmarks for physical education as the required physical education
445.34 academic standards. The department may modify and adapt the national standards to
445.35 accommodate state interest. The modification and adaptations must maintain the purpose

446.1 and integrity of the national standards. The department must make available sample
446.2 assessments, which school districts may use as an alternative to local assessments, to
446.3 assess students' mastery of the physical education standards beginning in the 2018-2019
446.4 school year.

446.5 (e) (d) District efforts to develop, implement, or improve instruction or curriculum
446.6 as a result of the provisions of this section must be consistent with sections 120B.10,
446.7 120B.11, and 120B.20.

446.8 **EFFECTIVE DATE.** This section is effective July 1, 2016, except that the change
446.9 in paragraph (a) is effective for students enrolling in grade 9 in the 2017-2018 school
446.10 year and later.

446.11 Sec. 5. Minnesota Statutes 2014, section 120B.021, subdivision 3, is amended to read:

446.12 Subd. 3. **Rulemaking.** The commissioner, consistent with the requirements of
446.13 this section and section 120B.022, must adopt statewide rules under section 14.389 for
446.14 implementing statewide rigorous core academic standards in language arts, mathematics,
446.15 science, social studies, physical education, and the arts. After the rules authorized under
446.16 this subdivision are initially adopted, the commissioner may not amend or repeal these
446.17 rules nor adopt new rules on the same topic without specific legislative authorization. The
446.18 academic standards for language arts, mathematics, and the arts must be implemented for
446.19 all students beginning in the 2003-2004 school year. The academic standards for science
446.20 and social studies must be implemented for all students beginning in the 2005-2006 school
446.21 year.

446.22 Sec. 6. Minnesota Statutes 2015 Supplement, section 120B.021, subdivision 4, is
446.23 amended to read:

446.24 Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must
446.25 revise and appropriately embed technology and information literacy standards consistent
446.26 with recommendations from school media specialists into the state's academic standards
446.27 and graduation requirements and implement a ten-year cycle to review and, consistent
446.28 with the review, revise state academic standards and related benchmarks, consistent with
446.29 this subdivision. During each ten-year review and revision cycle, the commissioner also
446.30 must examine the alignment of each required academic standard and related benchmark
446.31 with the knowledge and skills students need for career and college readiness and advanced
446.32 work in the particular subject area. The commissioner must include the contributions of
446.33 Minnesota American Indian tribes and communities as related to the academic standards
446.34 during the review and revision of the required academic standards.

447.1 (b) The commissioner must ensure that the statewide mathematics assessments
447.2 administered to students in grades 3 through 8 and 11 are aligned with the state academic
447.3 standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph
447.4 (b). The commissioner must implement a review of the academic standards and related
447.5 benchmarks in mathematics beginning in the ~~2020-2021~~ 2021-2022 school year and
447.6 every ten years thereafter.

447.7 (c) The commissioner must implement a review of the academic standards and
447.8 related benchmarks in arts beginning in the ~~2016-2017~~ 2017-2018 school year and every
447.9 ten years thereafter.

447.10 (d) The commissioner must implement a review of the academic standards and
447.11 related benchmarks in science beginning in the ~~2017-2018~~ 2018-2019 school year and
447.12 every ten years thereafter.

447.13 (e) The commissioner must implement a review of the academic standards and
447.14 related benchmarks in language arts beginning in the ~~2018-2019~~ 2019-2020 school year
447.15 and every ten years thereafter.

447.16 (f) The commissioner must implement a review of the academic standards and
447.17 related benchmarks in social studies beginning in the ~~2019-2020~~ 2020-2021 school year
447.18 and every ten years thereafter.

447.19 (g) The commissioner must implement a review of the academic standards and
447.20 related benchmarks in physical education beginning in the 2022-2023 school year and
447.21 every ten years thereafter.

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

447.28 Sec. 7. **[120B.026] PHYSICAL EDUCATION; EXCLUSION FROM CLASS;**
447.29 **RECESS.**

447.30 A student may be excused from a physical education class if the student submits
447.31 written information signed by a physician stating that physical activity will jeopardize
447.32 the student's health. A student may be excused from a physical education class if being
447.33 excused meets the child's unique and individualized needs according to the child's
447.34 individualized education program, federal 504 plan, or individualized health plan. A
447.35 student may be excused if a parent or guardian requests an exemption on religious

448.1 grounds. A student with a disability must be provided with modifications or adaptations
448.2 that allow physical education class to meet their needs. Schools are strongly encouraged
448.3 not to exclude students in kindergarten through grade 5 from recess due to punishment or
448.4 disciplinary action.

448.5 Sec. 8. Minnesota Statutes 2014, section 120B.11, subdivision 1a, is amended to read:

448.6 Subd. 1a. **Performance measures.** Measures to determine school district and
448.7 school site progress in striving to create the world's best workforce must include at least:

448.8 ~~(1) student performance on the National Assessment of Education Progress where~~
448.9 ~~applicable;~~

448.10 ~~(2)~~ (1) the size of the academic achievement gap, rigorous course taking under
448.11 section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by
448.12 student subgroup;

448.13 ~~(3)~~ (2) student performance on the Minnesota Comprehensive Assessments;

448.14 ~~(4)~~ (3) high school graduation rates; and

448.15 ~~(5)~~ (4) career and college readiness under section 120B.30, subdivision 1.

448.16 Sec. 9. Minnesota Statutes 2014, section 120B.11, subdivision 2, is amended to read:

448.17 Subd. 2. **Adopting plans and budgets.** A school board, at a public meeting, shall
448.18 adopt a comprehensive, long-term strategic plan to support and improve teaching and
448.19 learning that is aligned with creating the world's best workforce and includes:

448.20 (1) clearly defined district and school site goals and benchmarks for instruction and
448.21 student achievement for all student subgroups identified in section 120B.35, subdivision 3,
448.22 paragraph (b), clause (2);

448.23 (2) a process ~~for assessing and evaluating~~ to assess and evaluate each student's
448.24 progress toward meeting state and local academic standards, assess and identify students
448.25 to participate in gifted and talented programs and accelerate their instruction, and adopt
448.26 early-admission procedures consistent with section 120B.15, and identifying the strengths
448.27 and weaknesses of instruction in pursuit of student and school success and curriculum
448.28 affecting students' progress and growth toward career and college readiness and leading to
448.29 the world's best workforce;

448.30 (3) a system to periodically review and evaluate the effectiveness of all instruction
448.31 and curriculum, taking into account strategies and best practices, student outcomes, school
448.32 principal evaluations under section 123B.147, subdivision 3, students' access to effective
448.33 teachers who are members of populations underrepresented among the licensed teachers
448.34 in the district or school and who reflect the diversity of enrolled students under section

449.1 120B.35, subdivision 3, paragraph (b), clause (2), and teacher evaluations under section
449.2 122A.40, subdivision 8, or 122A.41, subdivision 5;

449.3 (4) strategies for improving instruction, curriculum, and student achievement,
449.4 including the English and, where practicable, the native language development and the
449.5 academic achievement of English learners;

449.6 (5) a process to examine the equitable distribution of teachers and strategies to
449.7 ensure low-income and minority children are not taught at higher rates than other children
449.8 by inexperienced, ineffective, or out-of-field teachers;

449.9 ~~(5)~~ (6) education effectiveness practices that integrate high-quality instruction,
449.10 rigorous curriculum, technology, and a collaborative professional culture that develops
449.11 and supports teacher quality, performance, and effectiveness; and

449.12 ~~(6)~~ (7) an annual budget for continuing to implement the district plan.

449.13 Sec. 10. Minnesota Statutes 2014, section 120B.11, subdivision 3, is amended to read:

449.14 Subd. 3. **District advisory committee.** Each school board shall establish an
449.15 advisory committee to ensure active community participation in all phases of planning
449.16 and improving the instruction and curriculum affecting state and district academic
449.17 standards, consistent with subdivision 2. A district advisory committee, to the extent
449.18 possible, shall reflect the diversity of the district and its school sites, include teachers,
449.19 parents, support staff, students, and other community residents, and provide translation
449.20 to the extent appropriate and practicable. The district advisory committee shall pursue
449.21 community support to accelerate the academic and native literacy and achievement of
449.22 English learners with varied needs, from young children to adults, consistent with section
449.23 124D.59, subdivisions 2 and 2a. The district may establish site teams as subcommittees
449.24 of the district advisory committee under subdivision 4. The district advisory committee
449.25 shall recommend to the school board rigorous academic standards, student achievement
449.26 goals and measures consistent with subdivision 1a and sections 120B.022, subdivisions 1a
449.27 and 1b, and 120B.35, district assessments, means to improve students' equitable access to
449.28 effective and more diverse teachers, and program evaluations. School sites may expand
449.29 upon district evaluations of instruction, curriculum, assessments, or programs. Whenever
449.30 possible, parents and other community residents shall comprise at least two-thirds of
449.31 advisory committee members.

449.32 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
449.33 later.

449.34 Sec. 11. Minnesota Statutes 2014, section 120B.11, subdivision 4, is amended to read:

450.1 Subd. 4. **Site team.** A school ~~may~~ must establish a site team to develop and
450.2 implement strategies and education effectiveness practices to improve instruction,
450.3 curriculum, cultural competencies, including cultural awareness and cross-cultural
450.4 communication, and student achievement at the school site, consistent with subdivision 2.
450.5 The site team must include an equal number of teachers and administrators and at least
450.6 one parent. The site team advises the board and the advisory committee about developing
450.7 the annual budget and ~~revising~~ creates an instruction and curriculum improvement plan
450.8 ~~that aligns~~ to align curriculum, assessment of student progress, and growth in meeting
450.9 state and district academic standards and instruction.

450.10 Sec. 12. Minnesota Statutes 2014, section 120B.11, subdivision 5, is amended to read:

450.11 Subd. 5. **Report.** Consistent with requirements for school performance reports
450.12 under section 120B.36, subdivision 1, the school board shall publish a report in the
450.13 local newspaper with the largest circulation in the district, by mail, or by electronic
450.14 means on the district Web site. The school board shall hold an annual public meeting
450.15 to review, and revise where appropriate, student achievement goals, local assessment
450.16 outcomes, plans, strategies, and practices for improving curriculum and instruction and
450.17 cultural competency, and efforts to equitably distribute diverse, effective, experienced,
450.18 and in-field teachers, and to review district success in realizing the previously adopted
450.19 student achievement goals and related benchmarks and the improvement plans leading to
450.20 the world's best workforce. The school board must transmit an electronic summary of its
450.21 report to the commissioner in the form and manner the commissioner determines.

450.22 Sec. 13. Minnesota Statutes 2014, section 120B.12, subdivision 2, is amended to read:

450.23 Subd. 2. **Identification; report.** ~~For the 2011-2012 school year and later, (a)~~
450.24 Each school district shall identify before the end of kindergarten, grade 1, and grade 2
450.25 students who are not reading at grade level before the end of the current school year.
450.26 Reading assessments in English, and in the predominant languages of district students
450.27 where practicable, must identify and evaluate students' areas of academic need related
450.28 to literacy. The district also must monitor the progress and provide reading instruction
450.29 appropriate to the specific needs of English learners. The district must use a locally
450.30 adopted, developmentally appropriate, and culturally responsive assessment and annually
450.31 report summary assessment results to the commissioner by July 1. The district also must
450.32 annually report a summary of the district's efforts to screen and identify students with
450.33 dyslexia or convergence insufficiency disorder to the commissioner by July 1.

451.1 (b) A student identified under this subdivision must be provided with alternate
451.2 instruction under section 125A.56, subdivision 1.

451.3 Sec. 14. Minnesota Statutes 2014, section 120B.15, is amended to read:

451.4 **120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.**

451.5 (a) School districts may identify students, locally develop programs addressing
451.6 instructional and affective needs, provide staff development, and evaluate programs to
451.7 provide gifted and talented students with challenging and appropriate educational programs.

451.8 (b) School districts must adopt guidelines for assessing and identifying students for
451.9 participation in gifted and talented programs consistent with section 120B.11, subdivision
451.10 2, clause (2). The guidelines should include the use of:

451.11 (1) multiple and objective criteria; and

451.12 (2) assessments and procedures that are valid and reliable, fair, and based on current
451.13 theory and research. Assessments and procedures should be sensitive to underrepresented
451.14 groups, including, but not limited to, low-income, minority, twice-exceptional, and
451.15 English learners.

451.16 (c) School districts must adopt procedures for the academic acceleration of gifted
451.17 and talented students consistent with section 120B.11, subdivision 2, clause (2). These
451.18 procedures must include how the district will:

451.19 (1) assess a student's readiness and motivation for acceleration; and

451.20 (2) match the level, complexity, and pace of the curriculum to a student to achieve
451.21 the best type of academic acceleration for that student.

451.22 (d) School districts must adopt procedures consistent with section 124D.02,
451.23 subdivision 1, for early admission to kindergarten or first grade of gifted and talented
451.24 learners consistent with section 120B.11, subdivision 2, clause (2). The procedures must
451.25 be sensitive to underrepresented groups.

451.26 Sec. 15. Minnesota Statutes 2014, section 120B.232, is amended to read:

451.27 **120B.232 CHARACTER DEVELOPMENT EDUCATION.**

451.28 Subdivision 1. **Character development education.** (a) The legislature encourages
451.29 districts to integrate or offer instruction on character education including, but not limited
451.30 to, character qualities such as attentiveness, truthfulness, respect for authority, diligence,
451.31 gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, and
451.32 resourcefulness. Instruction should be integrated into a district's existing programs,
451.33 curriculum, or the general school environment. The commissioner shall provide assistance
451.34 at the request of a district to develop character education curriculum and programs.

452.1 (b) Character development education under paragraph (a) may include a voluntary
452.2 elementary, middle, and high school program that incorporates the history and values of
452.3 Congressional Medal of Honor recipients and may be offered as part of the social studies,
452.4 English language arts, or other curriculum, as a schoolwide character building and veteran
452.5 awareness initiative, or as an after-school program, among other possibilities.

452.6 Subd. 1a. **Staff development; continuing education.** (a) Staff development
452.7 opportunities under section 122A.60 may include training in character development
452.8 education that incorporates the history and values of Congressional Medal of Honor
452.9 recipients under subdivision 1, paragraph (b), and is provided without cost to the interested
452.10 school or district.

452.11 (b) Local continuing education and relicensure committees or other local relicensure
452.12 committees under section 122A.18, subdivision 4, are encouraged to approve up to six
452.13 clock hours of continuing education for licensed teachers who complete the training in
452.14 character development education under paragraph (a).

452.15 Subd. 2. **Funding sources.** The commissioner must first use federal funds for
452.16 character development education programs to the extent available under United States
452.17 Code, title 20, section 7247. Districts may accept funds from private and other public
452.18 sources for character development education programs developed and implemented under
452.19 this section, including programs funded through the Congressional Medal of Honor
452.20 Foundation, among other sources.

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

452.22 Sec. 16. Minnesota Statutes 2015 Supplement, section 120B.30, subdivision 1, is
452.23 amended to read:

452.24 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts
452.25 with appropriate technical qualifications and experience and stakeholders, consistent with
452.26 subdivision 1a, shall include in the comprehensive assessment system, for each grade
452.27 level to be tested, state-constructed tests developed as computer-adaptive reading and
452.28 mathematics assessments for students that are aligned with the state's required academic
452.29 standards under section 120B.021, include multiple choice questions, and are administered
452.30 annually to all students in grades 3 through 8. State-developed high school tests aligned
452.31 with the state's required academic standards under section 120B.021 and administered
452.32 to all high school students in a subject other than writing must include multiple choice
452.33 questions. The commissioner shall establish one or more months during which schools
452.34 shall administer the tests to students each school year.

453.1 (1) Students enrolled in grade 8 through the 2009-2010 school year are eligible
453.2 to be assessed under (i) the graduation-required assessment for diploma in reading,
453.3 mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1,
453.4 paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii)
453.5 the Compass college placement test, (iv) the ACT assessment for college admission, (v) a
453.6 nationally recognized armed services vocational aptitude test.

453.7 (2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are
453.8 eligible to be assessed under (i) the graduation-required assessment for diploma in reading,
453.9 mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision
453.10 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the
453.11 Compass college placement test, (iv) the ACT assessment for college admission, (v) a
453.12 nationally recognized armed services vocational aptitude test.

453.13 (3) For students under clause (1) or (2), a school district may substitute a score from
453.14 an alternative, equivalent assessment to satisfy the requirements of this paragraph.

453.15 (b) The state assessment system must be aligned to the most recent revision of
453.16 academic standards as described in section 120B.023 in the following manner:

453.17 (1) mathematics;

453.18 (i) grades 3 through 8 beginning in the 2010-2011 school year; and

453.19 (ii) high school level beginning in the 2013-2014 school year;

453.20 (2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012
453.21 school year; and

453.22 (3) language arts and reading; grades 3 through 8 and high school level beginning in
453.23 the 2012-2013 school year.

453.24 (c) For students enrolled in grade 8 in the 2012-2013 school year and later, students'
453.25 state graduation requirements, based on a longitudinal, systematic approach to student
453.26 education and career planning, assessment, instructional support, and evaluation, include
453.27 the following:

453.28 (1) an opportunity to participate on a nationally normed college entrance exam,
453.29 in grade 11 or grade 12;

453.30 (2) achievement and career and college readiness in mathematics, reading, and
453.31 writing, consistent with paragraph ~~(j)~~ (k) and to the extent available, to monitor students'
453.32 continuous development of and growth in requisite knowledge and skills; analyze
453.33 students' progress and performance levels, identifying students' academic strengths and
453.34 diagnosing areas where students require curriculum or instructional adjustments, targeted
453.35 interventions, or remediation; and, based on analysis of students' progress and performance

454.1 data, determine students' learning and instructional needs and the instructional tools and
454.2 best practices that support academic rigor for the student; and

454.3 (3) consistent with this paragraph and section 120B.125, age-appropriate exploration
454.4 and planning activities and career assessments to encourage students to identify personally
454.5 relevant career interests and aptitudes and help students and their families develop a
454.6 regularly reexamined transition plan for postsecondary education or employment without
454.7 need for postsecondary remediation.

454.8 Based on appropriate state guidelines, students with an individualized education program
454.9 may satisfy state graduation requirements by achieving an individual score on the
454.10 state-identified alternative assessments.

454.11 (d) Expectations of schools, districts, and the state for career or college readiness
454.12 under this subdivision must be comparable in rigor, clarity of purpose, and rates of
454.13 student completion.

454.14 A student under paragraph (c), clause (2), must receive targeted, relevant,
454.15 academically rigorous, and resourced instruction, which may include a targeted instruction
454.16 and intervention plan focused on improving the student's knowledge and skills in core
454.17 subjects so that the student has a reasonable chance to succeed in a career or college
454.18 without need for postsecondary remediation. Consistent with sections 120B.13, 124D.09,
454.19 124D.091, 124D.49, and related sections, an enrolling school or district must actively
454.20 encourage a student in grade 11 or 12 who is identified as academically ready for a career
454.21 or college to participate in courses and programs awarding college credit to high school
454.22 students. Students are not required to achieve a specified score or level of proficiency on
454.23 an assessment under this subdivision to graduate from high school.

454.24 (e) Though not a high school graduation requirement, students are encouraged to
454.25 participate in a nationally recognized college entrance exam. ~~With funding provided by~~
454.26 ~~the~~ To the extent state funding for college entrance exam fees is available, a district must
454.27 pay the cost, one time, for an interested student in grade 11 or 12 to take a nationally
454.28 recognized college entrance exam before graduating. A student must be able to take the
454.29 exam under this paragraph at the student's high school during the school day and at any
454.30 one of the multiple exam administrations available to students in the district. A district
454.31 may administer the ACT or SAT or both the ACT and SAT to comply with this paragraph.
454.32 If the district administers only one of these two tests and a student opts not to take that test
454.33 and chooses instead to take the other of the two tests, the student may take the other test at
454.34 a different time or location and remains eligible for the examination fee reimbursement.

454.35 (f) The commissioner and the chancellor of the Minnesota State Colleges and
454.36 Universities must collaborate in aligning instruction and assessments for adult basic

455.1 education students and English learners to provide the students with diagnostic information
455.2 about any targeted interventions, accommodations, modifications, and supports they
455.3 need so that assessments and other performance measures are accessible to them and
455.4 they may seek postsecondary education or employment without need for postsecondary
455.5 remediation. When administering formative or summative assessments used to measure
455.6 the academic progress, including the oral academic development, of English learners
455.7 and inform their instruction, schools must ensure that the assessments are accessible to
455.8 the students and students have the modifications and supports they need to sufficiently
455.9 understand the assessments.

455.10 (g) Districts and schools, on an annual basis, must use career exploration elements
455.11 to help students, beginning no later than grade 9, and their families explore and plan
455.12 for postsecondary education or careers based on the students' interests, aptitudes, and
455.13 aspirations. Districts and schools must use timely regional labor market information and
455.14 partnerships, among other resources, to help students and their families successfully
455.15 develop, pursue, review, and revise an individualized plan for postsecondary education or a
455.16 career. This process must help increase students' engagement in and connection to school,
455.17 improve students' knowledge and skills, and deepen students' understanding of career
455.18 pathways as a sequence of academic and career courses that lead to an industry-recognized
455.19 credential, an associate's degree, or a bachelor's degree and are available to all students,
455.20 whatever their interests and career goals.

455.21 (h) A student who demonstrates attainment of required state academic standards,
455.22 which include career and college readiness benchmarks, on high school assessments
455.23 under subdivision 1a is academically ready for a career or college and is encouraged to
455.24 participate in courses awarding college credit to high school students. Such courses and
455.25 programs may include sequential courses of study within broad career areas and technical
455.26 skill assessments that extend beyond course grades.

455.27 (i) As appropriate, students through grade 12 must continue to participate in targeted
455.28 instruction, intervention, or remediation and be encouraged to participate in courses
455.29 awarding college credit to high school students.

455.30 (j) In developing, supporting, and improving students' academic readiness for a
455.31 career or college, schools, districts, and the state must have a continuum of empirically
455.32 derived, clearly defined benchmarks focused on students' attainment of knowledge and
455.33 skills so that students, their parents, and teachers know how well students must perform to
455.34 have a reasonable chance to succeed in a career or college without need for postsecondary
455.35 remediation. The commissioner, in consultation with local school officials and educators,
455.36 and Minnesota's public postsecondary institutions must ensure that the foundational

456.1 knowledge and skills for students' successful performance in postsecondary employment
456.2 or education and an articulated series of possible targeted interventions are clearly
456.3 identified and satisfy Minnesota's postsecondary admissions requirements.

456.4 (k) For students in grade 8 in the 2012-2013 school year and later, a school, district,
456.5 or charter school must record on the high school transcript a student's progress toward
456.6 career and college readiness, and for other students as soon as practicable.

456.7 (l) The school board granting students their diplomas may formally decide to include
456.8 a notation of high achievement on the high school diplomas of those graduating seniors
456.9 who, according to established school board criteria, demonstrate exemplary academic
456.10 achievement during high school.

456.11 (m) The 3rd through 8th grade computer-adaptive assessment results and high school
456.12 test results shall be available to districts for diagnostic purposes affecting student learning
456.13 and district instruction and curriculum, and for establishing educational accountability.
456.14 The commissioner must establish empirically derived benchmarks on adaptive assessments
456.15 in grades 3 through 8. The commissioner, in consultation with the chancellor of the
456.16 Minnesota State Colleges and Universities, must establish empirically derived benchmarks
456.17 on the high school tests that reveal a trajectory toward career and college readiness
456.18 consistent with section 136F.3025. The commissioner must disseminate to the public the
456.19 computer-adaptive assessments and high school test results upon receiving those results.

456.20 (n) The grades 3 through 8 computer-adaptive assessments and high school tests
456.21 must be aligned with state academic standards. The commissioner shall determine the
456.22 testing process and the order of administration. The statewide results shall be aggregated
456.23 at the site and district level, consistent with subdivision 1a.

456.24 (o) The commissioner shall include the following components in the statewide
456.25 public reporting system:

456.26 (1) uniform statewide computer-adaptive assessments of all students in grades 3
456.27 through 8 and testing at the high school levels that provides appropriate, technically sound
456.28 accommodations or alternate assessments;

456.29 (2) educational indicators that can be aggregated and compared across school
456.30 districts and across time on a statewide basis, including average daily attendance, high
456.31 school graduation rates, and high school drop-out rates by age and grade level;

456.32 (3) state results on the American College Test; and

456.33 (4) state results from participation in the National Assessment of Educational
456.34 Progress so that the state can benchmark its performance against the nation and other
456.35 states, and, where possible, against other countries, and contribute to the national effort
456.36 to monitor achievement.

457.1 (p) For purposes of statewide accountability, "career and college ready" means a
457.2 high school graduate has the knowledge, skills, and competencies to successfully pursue a
457.3 career pathway, including postsecondary credit leading to a degree, diploma, certificate, or
457.4 industry-recognized credential and employment. Students who are career and college ready
457.5 are able to successfully complete credit-bearing coursework at a two- or four-year college
457.6 or university or other credit-bearing postsecondary program without need for remediation.

457.7 (q) For purposes of statewide accountability, "cultural competence," "cultural
457.8 competency," or "culturally competent" means the ability and will to interact effectively
457.9 with people of different cultures, native languages, and socioeconomic backgrounds.

457.10 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
457.11 later.

457.12 Sec. 17. Minnesota Statutes 2014, section 120B.30, subdivision 2, is amended to read:

457.13 Subd. 2. **Department of Education assistance.** (a) The Department of Education
457.14 shall contract for professional and technical services according to competitive solicitation
457.15 procedures under chapter 16C for purposes of this section.

457.16 (b) A proposal submitted under this section must include disclosures containing:

457.17 (1) comprehensive information regarding test administration monitoring practices;

457.18 and

457.19 (2) data privacy safeguards for student information to be transmitted to or used

457.20 by the proposing entity.

457.21 Information provided in the proposal is not security information or trade secret information

457.22 for purposes of section 13.37.

457.23 Sec. 18. Minnesota Statutes 2014, section 120B.30, is amended by adding a
457.24 subdivision to read:

457.25 Subd. 6. **Database.** The commissioner shall establish a reporting system for
457.26 teachers, administrators, and students to report service disruptions and technical
457.27 interruptions. The information reported through this system shall be maintained in a
457.28 database accessible through the department's Web site.

457.29 Sec. 19. Minnesota Statutes 2015 Supplement, section 120B.301, is amended to read:

457.30 **120B.301 LIMITS ON LOCAL TESTING.**

457.31 (a) For students in grades 1 through 6, the cumulative total amount of time spent
457.32 taking locally adopted districtwide or schoolwide assessments must not exceed ten hours

458.1 per school year. For students in grades 7 through 12, the cumulative total amount of time
458.2 spent taking locally adopted districtwide or schoolwide assessments must not exceed 11
458.3 hours per school year. For purposes of this paragraph, International Baccalaureate and
458.4 Advanced Placement exams are not considered locally adopted assessments.

458.5 (b) A district or charter school is exempt from the requirements of paragraph (a),
458.6 if the district or charter school, in consultation with the exclusive representative of the
458.7 teachers or other teachers if there is no exclusive representative of the teachers, decides
458.8 to exceed a time limit in paragraph (a) and includes in the report required under section
458.9 120B.11, subdivision 5.

458.10 (c) A district or charter school, before the first day of each school year, must publish
458.11 on its Web site a comprehensive calendar of standardized tests to be administered in the
458.12 district or charter school during that school year. The calendar must provide the rationale
458.13 for administering each assessment and indicate whether the assessment is a local option or
458.14 required by state or federal law.

458.15 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
458.16 later.

458.17 Sec. 20. **[120B.304] SCHOOL DISTRICT ASSESSMENT COMMITTEE.**

458.18 (a) A school district that does not have an agreement between the school board and
458.19 the exclusive representative of the teachers about selecting assessments must establish a
458.20 district assessment committee to advise the school board on administering standardized
458.21 assessments to students in addition to the assessments required under section 120B.30 and
458.22 applicable federal law unless paragraph (b) applies. The committee must include an equal
458.23 number of teachers and administrators and at least one parent of a student in the district
458.24 and may include at least one representative from each school site in the district.

458.25 (b) A school district may seek this assessment advice from the district advisory
458.26 committee under section 120B.11, subdivision 3, instead of establishing a committee
458.27 under this section.

458.28 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
458.29 later.

458.30 Sec. 21. Minnesota Statutes 2015 Supplement, section 120B.31, subdivision 4, is
458.31 amended to read:

458.32 Subd. 4. **Student performance data.** In developing policies and assessment
458.33 processes to hold schools and districts accountable for high levels of academic standards

459.1 under section 120B.021, the commissioner shall aggregate and disaggregate student
459.2 data over time to report summary student performance and growth levels and, under
459.3 section 120B.11, subdivision 2, clause (2), student learning and outcome data measured
459.4 at the school, school district, and statewide level. ~~When collecting and reporting the~~
459.5 ~~performance data,~~ The commissioner shall use the student categories identified under the
459.6 federal Elementary and Secondary Education Act, as most recently reauthorized, and
459.7 student categories of homelessness, ethnicity, race, home language, immigrant, refugee
459.8 status, English learners under section 124D.59, free or reduced-price lunch, and other
459.9 categories designated by federal law to organize and report the data so that state and
459.10 local policy makers can understand the educational implications of changes in districts'
459.11 demographic profiles over time, ~~including student homelessness,~~ as data are available;
459.12 ~~among other demographic factors.~~ Any report the commissioner disseminates containing
459.13 summary data on student performance must integrate student performance and the
459.14 demographic factors that strongly correlate with that performance.

459.15 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and
459.16 later.

459.17 Sec. 22. Minnesota Statutes 2014, section 120B.31, is amended by adding a
459.18 subdivision to read:

459.19 Subd. 4a. **Student participation.** The commissioner shall create and publish a form
459.20 for parents and guardians to complete if they refuse to have their student participate in
459.21 state or locally required standardized testing. The form must state why there are state
459.22 academic standards, indicate which tests are aligned with state standards, and what
459.23 consequences, if any, the school or student may face if a student does not participate in
459.24 state or locally required standardized testing. This form must ask parents to indicate a
459.25 reason for their refusal.

459.26 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
459.27 later.

459.28 Sec. 23. Minnesota Statutes 2014, section 120B.31, subdivision 5, is amended to read:

459.29 Subd. 5. **Parent Access to information.** To ensure the effective involvement
459.30 of parents and to support a partnership between the school and parents, each district
459.31 shall annually provide parents and teachers a timely written summary, in an electronic
459.32 or other format, of their student's current and longitudinal performance and progress
459.33 on the state's academic content standards as measured by state assessments. Providing

460.1 parents with a summary prepared by the Department of Education fulfills the requirements
460.2 of this subdivision.

460.3 Sec. 24. Minnesota Statutes 2014, section 120B.31, is amended by adding a
460.4 subdivision to read:

460.5 Subd. 6. **Retaliation prohibited.** An employee who discloses information to the
460.6 commissioner or a parent or guardian about service disruptions or technical interruptions
460.7 related to administering assessments under this section is protected under section 181.932,
460.8 governing disclosure of information by employees.

460.9 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
460.10 later.

460.11 Sec. 25. Minnesota Statutes 2014, section 120B.35, is amended to read:

460.12 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND GROWTH.**

460.13 Subdivision 1. ~~School and Student indicators of growth and achievement.~~

460.14 The commissioner must develop and implement a system for measuring and reporting
460.15 academic achievement and individual student growth, consistent with the statewide
460.16 educational accountability and reporting system. The system components must measure
460.17 and separately report the ~~adequate yearly progress~~ federal expectations of schools and
460.18 the growth of individual students: students' current achievement in schools under
460.19 subdivision 2; and individual students' educational growth over time under subdivision
460.20 3. The system also must include statewide measures of student academic growth that
460.21 identify schools with high levels of growth, and also schools with low levels of growth
460.22 that need improvement. ~~When determining a school's effect,~~ The data must include
460.23 both statewide measures of student achievement and, to the extent annual tests are
460.24 administered, indicators of achievement growth that take into account a student's prior
460.25 achievement. Indicators of achievement and prior achievement must be based on highly
460.26 reliable statewide or districtwide assessments. Indicators that take into account a student's
460.27 prior achievement must not be used to disregard a school's low achievement or to exclude
460.28 a school from a program to improve low achievement levels.

460.29 Subd. 2. **Federal Expectations for student academic achievement.** (a) Each
460.30 school year, a school district must determine if the student achievement levels at each
460.31 school site meet federal expectations. If student achievement levels at a school site do
460.32 not meet federal expectations ~~and the site has not made adequate yearly progress for two~~
460.33 ~~consecutive school years, beginning with the 2001-2002 school year,~~ the district must

461.1 work with the school site to adopt a plan to raise student achievement levels to meet
461.2 federal expectations. The commissioner of education shall establish student academic
461.3 achievement levels to comply with this paragraph.

461.4 (b) School sites identified as not meeting federal expectations must develop
461.5 continuous improvement plans in order to meet federal expectations for student academic
461.6 achievement. The department, at a district's request, must assist the district and the school
461.7 site sites in developing a plan to improve student achievement. The plan must include
461.8 parental involvement components.

461.9 (c) The commissioner must:

461.10 (1) assist school sites and districts identified as not meeting federal expectations; and

461.11 (2) provide technical assistance to schools that integrate student achievement
461.12 measures into the school continuous improvement plan.

461.13 (d) The commissioner shall establish and maintain a continuous improvement Web
461.14 site designed to make aggregated and disaggregated student growth and, under section
461.15 120B.11, subdivision 2, clause (2), student learning and outcome data on every school
461.16 and district available to parents, teachers, administrators, community members, and the
461.17 general public, consistent with this section.

461.18 Subd. 3. **State growth target; other state measures.** (a)(1) The state's educational
461.19 assessment system measuring individual students' educational growth is based on
461.20 indicators of achievement growth that show an individual student's prior achievement.
461.21 Indicators of achievement and prior achievement must be based on highly reliable
461.22 statewide or districtwide assessments.

461.23 (2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and
461.24 report separate categories of information using the student categories identified under
461.25 the federal Elementary and Secondary Education Act, as most recently reauthorized
461.26 and, in addition to the Karen community, other student categories as determined by the
461.27 total Minnesota population at or above the 1,000-person threshold based on the most
461.28 recent decennial census, including ethnicity; race; refugee status; English learners under
461.29 section 124D.59; home language; free or reduced-price lunch; immigrant; and all students
461.30 enrolled in a Minnesota public school who are currently or were previously in foster care,
461.31 except that such disaggregation and cross tabulation is not required if the number of
461.32 students in a category is insufficient to yield statistically reliable information or the results
461.33 would reveal personally identifiable information about an individual student.

461.34 (b) The commissioner, in consultation with a stakeholder group that includes
461.35 assessment and evaluation directors, district staff, experts in culturally responsive teaching,
461.36 and researchers, must implement a model that uses a value-added growth indicator and

462.1 includes criteria for identifying schools and school districts that demonstrate medium and
462.2 high growth under section 120B.299, subdivisions 8 and 9, and may recommend other
462.3 value-added measures under section 120B.299, subdivision 3. The model may be used
462.4 to advance educators' professional development and replicate programs that succeed in
462.5 meeting students' diverse learning needs. Data on individual teachers generated under the
462.6 model are personnel data under section 13.43. The model must allow users to:

- 462.7 (1) report student growth consistent with this paragraph; and
462.8 (2) for all student categories, report and compare aggregated and disaggregated state
462.9 student growth and, under section 120B.11, subdivision 2, clause (2), student learning
462.10 and outcome data using the nine student categories identified under the federal 2001 No
462.11 Child Left Behind Act and two student gender categories of male and female, respectively,
462.12 following appropriate reporting practices to protect nonpublic student data Elementary
462.13 and Secondary Education Act, as most recently reauthorized, and other student categories
462.14 under paragraph (a), clause (2).

462.15 The commissioner must report measures of student growth and, under section
462.16 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with
462.17 this paragraph, including the English language development, academic progress, and oral
462.18 academic development of English learners and their native language development if the
462.19 native language is used as a language of instruction, and include data on all pupils enrolled
462.20 in a Minnesota public school course or program who are currently or were previously
462.21 counted as an English learner under section 124D.59.

462.22 (c) When reporting student performance under section 120B.36, subdivision 1, the
462.23 commissioner annually, beginning July 1, 2011, must report two core measures indicating
462.24 the extent to which current high school graduates are being prepared for postsecondary
462.25 academic and career opportunities:

462.26 (1) a preparation measure indicating the number and percentage of high school
462.27 graduates in the most recent school year who completed course work important to
462.28 preparing them for postsecondary academic and career opportunities, consistent with
462.29 the core academic subjects required for admission to Minnesota's public colleges and
462.30 universities as determined by the Office of Higher Education under chapter 136A; and

462.31 (2) a rigorous coursework measure indicating the number and percentage of high
462.32 school graduates in the most recent school year who successfully completed one or more
462.33 college-level advanced placement, international baccalaureate, postsecondary enrollment
462.34 options including concurrent enrollment, other rigorous courses of study under section
462.35 120B.021, subdivision 1a, or industry certification courses or programs.

463.1 When reporting the core measures under clauses (1) and (2), the commissioner must also
463.2 analyze and report separate categories of information using the ~~nine~~ student categories
463.3 identified under the federal ~~2001 No Child Left Behind Act~~ and two student gender
463.4 categories of male and female, respectively, following appropriate reporting practices to
463.5 ~~protect nonpublic student data~~ Elementary and Secondary Education Act, as most recently
463.6 reauthorized, and other student categories under paragraph (a), clause (2).

463.7 (d) When reporting student performance under section 120B.36, subdivision 1, the
463.8 commissioner annually, beginning July 1, 2014, must report summary data on school
463.9 safety and students' engagement and connection at school, consistent with the student
463.10 categories identified under paragraph (a), clause (2). The summary data under this
463.11 paragraph are separate from and must not be used for any purpose related to measuring
463.12 or evaluating the performance of classroom teachers. The commissioner, in consultation
463.13 with qualified experts on student engagement and connection and classroom teachers,
463.14 must identify highly reliable variables that generate summary data under this paragraph.
463.15 The summary data may be used at school, district, and state levels only. Any data on
463.16 individuals received, collected, or created that are used to generate the summary data
463.17 under this paragraph are nonpublic data under section 13.02, subdivision 9.

463.18 (e) For purposes of statewide educational accountability, the commissioner must
463.19 identify and report measures that demonstrate the success of learning year program
463.20 providers under sections 123A.05 and 124D.68, among other such providers, in improving
463.21 students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually
463.22 report summary data on:

463.23 (1) the four- and six-year graduation rates of students under this paragraph;

463.24 (2) the percent of students under this paragraph whose progress and performance
463.25 levels are meeting career and college readiness benchmarks under section 120B.30,
463.26 subdivision 1; and

463.27 (3) the success that learning year program providers experience in:

463.28 (i) identifying at-risk and off-track student populations by grade;

463.29 (ii) providing successful prevention and intervention strategies for at-risk students;

463.30 (iii) providing successful recuperative and recovery or reenrollment strategies for
463.31 off-track students; and

463.32 (iv) improving the graduation outcomes of at-risk and off-track students.

463.33 The commissioner may include in the annual report summary data on other education
463.34 providers serving a majority of students eligible to participate in a learning year program.

463.35 (f) The commissioner, in consultation with recognized experts with knowledge and
463.36 experience in assessing the language proficiency and academic performance of all English

464.1 learners enrolled in a Minnesota public school course or program who are currently or were
464.2 previously counted as an English learner under section 124D.59, must identify and report
464.3 appropriate and effective measures to improve current categories of language difficulty and
464.4 assessments, and monitor and report data on students' English proficiency levels, program
464.5 placement, and academic language development, including oral academic language.

464.6 Subd. 4. **Improving schools.** Consistent with the requirements of this section,
464.7 beginning June 20, 2012, the commissioner of education must annually report to the
464.8 public and the legislature best practices implemented in those schools that ~~demonstrate~~
464.9 ~~high growth compared to the state growth target~~ are identified as high performing under
464.10 federal expectations.

464.11 Subd. 5. **Improving graduation rates for students with emotional or behavioral**
464.12 **disorders.** (a) A district must develop strategies in conjunction with parents of students
464.13 with emotional or behavioral disorders and the county board responsible for implementing
464.14 sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in
464.15 school, when the district has a drop-out rate for students with an emotional or behavioral
464.16 disorder in grades 9 through 12 exceeding 25 percent.

464.17 (b) A district must develop a plan in conjunction with parents of students with
464.18 emotional or behavioral disorders and the local mental health authority to increase the
464.19 graduation rates of students with emotional or behavioral disorders. A district with a
464.20 drop-out rate for children with an emotional or behavioral disturbance in grades 9 through
464.21 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight
464.22 to the commissioner.

464.23 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and
464.24 later.

464.25 Sec. 26. Minnesota Statutes 2014, section 120B.36, as amended by Laws 2015, First
464.26 Special Session chapter 3, article 2, section 8, is amended to read:

464.27 **120B.36 SCHOOL ACCOUNTABILITY; ~~APPEALS PROCESS.~~**

464.28 Subdivision 1. **School performance reports.** (a) The commissioner shall report
464.29 student academic performance data under section 120B.35, ~~subdivision~~ subdivisions
464.30 2 and 3; the percentages of students showing low, medium, and high growth under
464.31 section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and
464.32 connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework
464.33 under section 120B.35, subdivision 3, paragraph (c); the percentage of students under
464.34 section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance

465.1 levels are meeting career and college readiness benchmarks under sections 120B.30,
 465.2 subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress
 465.3 of eligible districts in reducing disparities in students' academic achievement and realizing
 465.4 racial and economic integration under section 124D.861; the acquisition of English,
 465.5 and where practicable, native language academic literacy, including oral academic
 465.6 language, and the academic progress of all English learners under section 124D.59,
 465.7 subdivisions 2 and 2a enrolled in a Minnesota public school course or program who are
 465.8 currently or were previously counted as English learners under section 124D.59; two
 465.9 separate student-to-teacher ratios that clearly indicate the definition of teacher consistent
 465.10 with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff
 465.11 characteristics excluding salaries; student enrollment demographics; foster care status,
 465.12 including all students enrolled in a Minnesota public school course or program who are
 465.13 currently or were previously in foster care, student homelessness, and district mobility;
 465.14 and extracurricular activities. The report also must indicate a school's adequate yearly
 465.15 progress status under applicable federal law, ~~and must not set any designations applicable~~
 465.16 ~~to high- and low-performing schools due solely to adequate yearly progress status.~~

465.17 (b) The commissioner shall develop, annually update, and post on the department
 465.18 Web site school performance reports.

465.19 (c) The commissioner must make available performance reports by the beginning
 465.20 of each school year.

465.21 (d) A school or district may appeal its ~~adequate yearly progress status in writing~~
 465.22 ~~to the commissioner within 30 days of receiving the notice of its status~~ results in a form
 465.23 and manner determined by the commissioner and consistent with federal law. The
 465.24 commissioner's decision to uphold or deny an appeal is final.

465.25 (e) School performance data are nonpublic data under section 13.02, subdivision 9,
 465.26 until the commissioner publicly releases the data. The commissioner shall annually post
 465.27 school performance reports to the department's public Web site no later than September 1,
 465.28 except that in years when the reports reflect new performance standards, the commissioner
 465.29 shall post the school performance reports no later than October 1.

465.30 Subd. 2. ~~Adequate yearly Student progress and other data.~~ (a) All data the
 465.31 department receives, collects, or creates under section 120B.11, governing the world's
 465.32 best workforce or to determine adequate yearly progress status under Public Law 107-110,
 465.33 section 1116 federal expectations under the most recently reauthorized Elementary and
 465.34 Secondary Education Act, set state growth targets, and determine student growth, learning,
 465.35 and outcomes under section 120B.35 are nonpublic data under section 13.02, subdivision
 465.36 9, until the commissioner publicly releases the data.

466.1 (b) Districts must provide parents sufficiently detailed summary data to permit
466.2 parents to appeal under Public Law 107-110, section 1116(b)(2) the most recently
466.3 reauthorized federal Elementary and Secondary Education Act. The commissioner shall
466.4 annually post federal adequate yearly progress data expectations and state student growth,
466.5 learning, and outcome data to the department's public Web site no later than September 1,
466.6 except that in years when adequate yearly progress reflects data or federal expectations
466.7 reflect new performance standards, the commissioner shall post federal adequate yearly
466.8 progress data on federal expectations and state student growth data no later than October 1.

466.9 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and
466.10 later.

466.11 Sec. 27. **[121A.065] DISTRICT SURVEYS TO COLLECT STUDENT**
466.12 **INFORMATION; PARENT NOTICE AND OPPORTUNITY FOR OPTING OUT.**

466.13 (a) School districts and charter schools, in consultation with parents, must develop
466.14 and adopt policies on conducting student surveys and using and distributing personal
466.15 information on students collected from the surveys. School districts and charter schools
466.16 must:

466.17 (1) directly notify parents of these policies at the beginning of each school year and
466.18 after making any substantive policy changes;

466.19 (2) inform parents at the beginning of the school year if the district or school has
466.20 identified specific or approximate dates for administering surveys and give parents
466.21 reasonable notice of planned surveys scheduled after the start of the school year;

466.22 (3) give parents direct, timely notice, by United States mail, e-mail, or other direct
466.23 form of communication, when their students are scheduled to participate in a student
466.24 survey; and

466.25 (4) give parents the opportunity to review the survey and to opt their students out of
466.26 participating in the survey.

466.27 (b) School districts and charter schools must not impose an academic or other
466.28 penalty upon a student who opts out of participating in a survey under paragraph (a).

466.29 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
466.30 later.

466.31 Sec. 28. Minnesota Statutes 2014, section 121A.53, is amended to read:

466.32 **121A.53 REPORT TO COMMISSIONER OF EDUCATION.**

467.1 Subdivision 1. **Exclusions and expulsions; physical assaults.** The school board
467.2 must report through the department electronic reporting system each exclusion or
467.3 expulsion and each physical assault of a district employee by a student within 30 days
467.4 of the effective date of the dismissal action or assault to the commissioner of education.
467.5 This report must include a statement of alternative educational services, or other sanction,
467.6 intervention, or resolution in response to the assault given the pupil and the reason for,
467.7 the effective date, and the duration of the exclusion or expulsion or other sanction,
467.8 intervention, or resolution. The report must also include the student's age, grade, gender,
467.9 race, and special education status.

467.10 Subd. 2. **Report.** (a) The school board must include state student identification
467.11 numbers of affected pupils on all dismissal and other disciplinary reports required by the
467.12 department. The department must report annually to the commissioner summary data on the
467.13 number of dismissals and physical assaults of district employees by a student by age, grade,
467.14 gender, race, and special education status of the affected pupils. All dismissal and other
467.15 disciplinary reports must be submitted through the department electronic reporting system.

467.16 (b) The commissioner must aggregate the district data reported under this section and
467.17 include the aggregated data, including aggregated data on physical assaults of a district
467.18 employee by a student, in the annual school performance reports under section 120B.36.

467.19 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
467.20 later.

467.21 Sec. 29. Minnesota Statutes 2014, section 121A.61, subdivision 3, is amended to read:

467.22 Subd. 3. **Policy components.** The policy must include at least the following
467.23 components:

467.24 (a) rules governing student conduct and procedures for informing students of the
467.25 rules;

467.26 (b) the grounds for removal of a student from a class;

467.27 (c) the authority of the classroom teacher to remove students from the classroom
467.28 pursuant to procedures and rules established in the district's policy;

467.29 (d) the procedures for removal of a student from a class by a teacher, school
467.30 administrator, or other school district employee;

467.31 (e) the period of time for which a student may be removed from a class, which may
467.32 not exceed five class periods for a violation of a rule of conduct;

467.33 (f) provisions relating to the responsibility for and custody of a student removed
467.34 from a class;

- 468.1 (g) the procedures for return of a student to the specified class from which the
468.2 student has been removed;
- 468.3 (h) the procedures for notifying a student and the student's parents or guardian of
468.4 violations of the rules of conduct and of resulting disciplinary actions;
- 468.5 (i) any procedures determined appropriate for encouraging early involvement of
468.6 parents or guardians in attempts to improve a student's behavior;
- 468.7 (j) any procedures determined appropriate for encouraging early detection of
468.8 behavioral problems;
- 468.9 (k) any procedures determined appropriate for referring a student in need of special
468.10 education services to those services;
- 468.11 (l) the procedures for consideration of whether there is a need for a further
468.12 assessment or of whether there is a need for a review of the adequacy of a current
468.13 individualized education program of a student with a disability who is removed from class;
- 468.14 (m) procedures for detecting and addressing chemical abuse problems of a student
468.15 while on the school premises;
- 468.16 (n) the minimum consequences for violations of the code of conduct;
- 468.17 (o) procedures for immediate and appropriate interventions tied to violations of
468.18 the code;
- 468.19 (p) a provision that states that a teacher, school employee, school bus driver, or
468.20 other agent of a district may use reasonable force in compliance with section 121A.582
468.21 and other laws; ~~and~~
- 468.22 (q) an agreement regarding procedures to coordinate crisis services to the extent
468.23 funds are available with the county board responsible for implementing sections 245.487
468.24 to 245.4889 for students with a serious emotional disturbance or other students who
468.25 have an individualized education program whose behavior may be addressed by crisis
468.26 intervention; and
- 468.27 (r) a provision that states a student must be removed from class immediately if the
468.28 student engages in assault or violent behavior. For purposes of this paragraph, "assault"
468.29 has the meaning given it in section 609.02, subdivision 10. The removal shall be for a
468.30 period of time deemed appropriate by the principal, in consultation with the teacher.

468.31 Sec. 30. Minnesota Statutes 2014, section 121A.64, is amended to read:

468.32 **121A.64 NOTIFICATION; TEACHERS' LEGITIMATE EDUCATIONAL**
468.33 **INTEREST.**

468.34 (a) A classroom teacher has a legitimate educational interest in knowing which
468.35 students placed in the teacher's classroom have a history of violent behavior, including any

469.1 documented physical assault of a district employee by the student, and must be notified
469.2 before such students are placed in the teacher's classroom.

469.3 (b) Representatives of the school board and the exclusive representative of the
469.4 teachers shall discuss issues related to the model policy on student records adopted under
469.5 Laws 1999, chapter 241, article 9, section 50, and any modifications adopted under Laws
469.6 2003, First Special Session chapter 9, for notifying classroom teachers and other school
469.7 district employees having a legitimate educational interest in knowing about students with
469.8 a history of violent behavior, including any documented physical assault of a district
469.9 employee by students placed in classrooms. The representatives of the school board and
469.10 the exclusive representative of the teachers also may discuss the need for intervention
469.11 services or conflict resolution or training for staff related to placing students with a history
469.12 of violent behavior in teachers' classrooms.

469.13 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
469.14 later.

469.15 Sec. 31. Minnesota Statutes 2014, section 123B.045, is amended by adding a
469.16 subdivision to read:

469.17 **Subd. 2a. Teacher-governed schools; grants.** (a) Consistent with subdivision 1
469.18 authorizing a school board to agree to assign certain autonomies and responsibilities to a
469.19 school site, and subject to a memorandum of understanding between the school board and
469.20 the exclusive representative of the teachers, a grant program is established to encourage
469.21 licensed teachers employed at a school site to explore and develop organizational models
469.22 for teaching and learning; provide curriculum and corresponding formative, interim, and
469.23 summative assessments; measure and evaluate teacher performance; assign teaching
469.24 positions and restructure instructional work; provide professional development to support
469.25 teachers restructuring their work; allocate revenue; assert autonomy and leadership; and
469.26 pursue other such policies, strategies, and activities for creating teacher-governed schools.

469.27 (b) The commissioner, after receiving documentation of the approved agreement
469.28 between the parties under subdivision 1, paragraph (d), shall award grants on a first-come,
469.29 first-served basis until appropriated funds are expended according to this paragraph:

469.30 (1) a planning grant of up to \$50,000 during the first year of the parties' agreement; and

469.31 (2) an implementation grant of up to \$100,000 during each of the next two years
469.32 of the parties' agreement.

469.33 (c) A grant recipient that terminates an agreement before the end of a school year
469.34 must return a pro rata portion of the grant to the commissioner, the amount of which
469.35 the commissioner must determine based upon the number of school days remaining in

470.1 the school year after the agreement is terminated. Grant recipients are encouraged to
470.2 seek matching funds or in-kind contributions from nonstate sources to supplement the
470.3 grant awards.

470.4 (d) A school district receiving a grant must transmit to the commissioner in an
470.5 electronic format and post on its Web site by the end of the school year readily accessible
470.6 information about recommended best practices based on its experience and progress under
470.7 this section. The commissioner must make information about these recommended best
470.8 practices readily available to interested districts and schools throughout Minnesota.

470.9 Sec. 32. Minnesota Statutes 2014, section 124D.03, subdivision 5a, is amended to read:

470.10 Subd. 5a. **Lotteries.** If a school district has more applications than available seats at
470.11 a specific grade level, it must hold an impartial lottery following the January 15 deadline
470.12 to determine which students will receive seats. Siblings of currently enrolled students ~~and~~
470.13 applications related to an approved integration and achievement plan, and children of the
470.14 school district's staff must receive priority in the lottery. The process for the school district
470.15 lottery must be established in school district policy, approved by the school board, and
470.16 posted on the school district's Web site.

470.17 **EFFECTIVE DATE.** This section is effective the day following final enactment for
470.18 nonresident pupil applications not yet accepted or rejected by the school district.

470.19 Sec. 33. Minnesota Statutes 2014, section 124D.15, subdivision 3a, is amended to read:

470.20 Subd. 3a. **Application and reporting requirements.** (a) A school readiness
470.21 program provider must ~~submit~~ include a biennial plan ~~for approval by the commissioner~~
470.22 ~~before receiving aid under section 124D.16. The plan must describe in the district's~~
470.23 world's best workforce plan under section 120B.11, describing how the school readiness
470.24 program meets the program requirements under subdivision 3. A school district by April 1
470.25 must submit the plan for approval by the commissioner in the form and manner prescribed
470.26 by the commissioner. One-half the districts must first submit the plan by April 1, 2006,
470.27 and one-half the districts must first submit the plan by April 1, 2007, as determined by
470.28 the commissioner.

470.29 (b) Programs receiving school readiness funds annually must submit a report to
470.30 the department.

470.31 **EFFECTIVE DATE.** This section is effective July 1, 2016.

471.1 Sec. 34. Minnesota Statutes 2015 Supplement, section 124D.231, subdivision 2,
471.2 is amended to read:

471.3 Subd. 2. **Full-service community school program.** (a) The commissioner shall
471.4 provide funding to eligible school sites to plan, implement, and improve full-service
471.5 community schools. Eligible school sites must meet one of the following criteria:

471.6 (1) the school is on a development plan for continuous improvement under section
471.7 120B.35, subdivision 2; or

471.8 (2) the school is in a district that has an achievement and integration plan approved
471.9 by the commissioner of education under sections 124D.861 and 124D.862.

471.10 (b) An eligible school site may receive up to ~~\$100,000~~ \$150,000 annually. School
471.11 sites receiving funding under this section shall hire or contract with a partner agency to
471.12 hire a site coordinator to coordinate services at each covered school site.

471.13 (c) Of grants awarded, implementation funding of up to \$20,000 must be available
471.14 for up to one year for planning for school sites. At the end of this period, the school must
471.15 submit a full-service community school plan, pursuant to paragraph (g). If the site decides
471.16 not to use planning funds, the plan must be submitted with the application.

471.17 (d) The commissioner shall ~~dispense the funds to~~ consider additional school factors
471.18 when dispensing funds including: schools with significant populations of students
471.19 receiving free or reduced-price lunches. ~~Schools with~~ significant homeless and highly
471.20 mobile students shall also be a priority. ~~The commissioner must also dispense the funds in a~~
471.21 ~~manner to ensure~~ rates; and equity among urban, suburban, and greater Minnesota schools.

471.22 (e) A school site must establish a school leadership team responsible for developing
471.23 school-specific programming goals, assessing program needs, and overseeing the process
471.24 of implementing expanded programming at each covered site. The school leadership team
471.25 shall have between 12 to 15 members and shall meet the following requirements:

471.26 (1) at least 30 percent of the members are parents and 30 percent of the members
471.27 are teachers at the school site and must include the school principal and representatives
471.28 from partner agencies; and

471.29 (2) the school leadership team must be responsible for overseeing the baseline
471.30 analyses under paragraph (f). A school leadership team must have ongoing responsibility
471.31 for monitoring the development and implementation of full-service community school
471.32 operations and programming at the school site and shall issue recommendations to schools
471.33 on a regular basis and summarized in an annual report. These reports shall also be made
471.34 available to the public at the school site and on school and district Web sites.

471.35 (f) School sites must complete a baseline analysis prior to beginning programming
471.36 as a full-service community school. The analysis shall include:

472.1 (1) a baseline analysis of needs at the school site, led by the school leadership team,
472.2 which shall include the following elements:

- 472.3 (i) identification of challenges facing the school;
- 472.4 (ii) analysis of the student body, including:
 - 472.5 (A) number and percentage of students with disabilities and needs of these students;
 - 472.6 (B) number and percentage of students who are English learners and the needs of
472.7 these students;
 - 472.8 (C) number of students who are homeless or highly mobile; and
 - 472.9 (D) number and percentage of students receiving free or reduced-price lunch and the
472.10 needs of these students;
- 472.11 (iii) analysis of enrollment and retention rates for students with disabilities,
472.12 English learners, homeless and highly mobile students, and students receiving free or
472.13 reduced-price lunch;
- 472.14 (iv) analysis of suspension and expulsion data, including the justification for such
472.15 disciplinary actions and the degree to which particular populations, including, but not
472.16 limited to, students of color, students with disabilities, students who are English learners,
472.17 and students receiving free or reduced-price lunch are represented among students subject
472.18 to such actions;
- 472.19 (v) analysis of school achievement data disaggregated by major demographic
472.20 categories, including, but not limited to, race, ethnicity, English learner status, disability
472.21 status, and free or reduced-price lunch status;
- 472.22 (vi) analysis of current parent engagement strategies and their success; and
- 472.23 (vii) evaluation of the need for and availability of wraparound services, including,
472.24 but not limited to:
 - 472.25 (A) mechanisms for meeting students' social, emotional, and physical health needs,
472.26 which may include coordination of existing services as well as the development of new
472.27 services based on student needs; and
 - 472.28 (B) strategies to create a safe and secure school environment and improve school
472.29 climate and discipline, such as implementing a system of positive behavioral supports, and
472.30 taking additional steps to eliminate bullying;

472.31 (2) a baseline analysis of community assets and a strategic plan for utilizing
472.32 and aligning identified assets. This analysis should include, but is not limited to, a
472.33 documentation of individuals in the community, faith-based organizations, community and
472.34 neighborhood associations, colleges, hospitals, libraries, businesses, and social service
472.35 agencies who may be able to provide support and resources; and

- 473.1 (3) a baseline analysis of needs in the community surrounding the school, led by
473.2 the school leadership team, including, but not limited to:
- 473.3 (i) the need for high-quality, full-day child care and early childhood education
473.4 programs;
- 473.5 (ii) the need for physical and mental health care services for children and adults; and
473.6 (iii) the need for job training and other adult education programming.
- 473.7 (g) Each school site receiving funding under this section must establish at least two
473.8 of the following types of programming:
- 473.9 (1) early childhood:
- 473.10 (i) early childhood education; and
473.11 (ii) child care services;
- 473.12 (2) academic:
- 473.13 (i) academic support and enrichment activities, including expanded learning time;
473.14 (ii) summer or after-school enrichment and learning experiences;
473.15 (iii) job training, internship opportunities, and career counseling services;
473.16 (iv) programs that provide assistance to students who have been truant, suspended,
473.17 or expelled; and
473.18 (v) specialized instructional support services;
- 473.19 (3) parental involvement:
- 473.20 (i) programs that promote parental involvement and family literacy, ~~including the~~
473.21 ~~Reading First and Early Reading First programs authorized under part B of title I of the~~
473.22 ~~Elementary and Secondary Education Act of 1965, United States Code, title 20, section~~
473.23 ~~6361, et seq.;~~
- 473.24 (ii) parent leadership development activities; and
473.25 (iii) parenting education activities;
- 473.26 (4) mental and physical health:
- 473.27 (i) mentoring and other youth development programs, including peer mentoring and
473.28 conflict mediation;
473.29 (ii) juvenile crime prevention and rehabilitation programs;
473.30 (iii) home visitation services by teachers and other professionals;
473.31 (iv) developmentally appropriate physical education;
473.32 (v) nutrition services;
473.33 (vi) primary health and dental care; and
473.34 (vii) mental health counseling services;
- 473.35 (5) community involvement:
- 473.36 (i) service and service-learning opportunities;

- 474.1 (ii) adult education, including instruction in English as a second language; and
474.2 (iii) homeless prevention services;
474.3 (6) positive discipline practices; and
474.4 (7) other programming designed to meet school and community needs identified in
474.5 the baseline analysis and reflected in the full-service community school plan.
- 474.6 (h) The school leadership team at each school site must develop a full-service
474.7 community school plan detailing the steps the school leadership team will take, including:
474.8 (1) timely establishment and consistent operation of the school leadership team;
474.9 (2) maintenance of attendance records in all programming components;
474.10 (3) maintenance of measurable data showing annual participation and the impact
474.11 of programming on the participating children and adults;
474.12 (4) documentation of meaningful and sustained collaboration between the school
474.13 and community stakeholders, including local governmental units, civic engagement
474.14 organizations, businesses, and social service providers;
474.15 (5) establishment and maintenance of partnerships with institutions, such as
474.16 universities, hospitals, museums, or not-for-profit community organizations to further the
474.17 development and implementation of community school programming;
474.18 (6) ensuring compliance with the district nondiscrimination policy; and
474.19 (7) plan for school leadership team development.

474.20 Sec. 35. Minnesota Statutes 2014, section 124D.59, is amended by adding a
474.21 subdivision to read:

474.22 Subd. 9. **English learner data.** When data on English learners are reported for
474.23 purposes of educational accountability, English learner data must include all pupils
474.24 enrolled in a Minnesota public school course or program who are currently or were
474.25 previously counted as an English learner under this section. Reported data must be
474.26 disaggregated by currently counted and previously counted English learners.

474.27 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and
474.28 later.

474.29 Sec. 36. Minnesota Statutes 2015 Supplement, section 124D.73, subdivision 4, is
474.30 amended to read:

474.31 Subd. 4. **Participating school; American Indian school.** "Participating school"
474.32 and "American Indian school" mean a school that:

- 474.33 (1) is not operated by a school district; and

475.1 (2) is eligible for a grant under federal Title ~~VH~~ VI of the Elementary and Secondary
475.2 Education Act for the education of American Indian children.

475.3 Sec. 37. [124D.8957] PREKINDERGARTEN THROUGH GRADE 12
475.4 PARENTAL RIGHTS CODED ELSEWHERE.

475.5 Subdivision 1. **Scope.** The sections referred to in subdivisions 2 to 30 are codified
475.6 outside this section. Those sections include many but not all the sections governing
475.7 parental rights related to topics in prekindergarten through grade 12 education.

475.8 Subd. 2. **Compulsory instruction.** Parental rights related to compulsory instruction,
475.9 including the right to withdraw a child from school; to receive notice related to transfer of
475.10 disciplinary records; to excuse a child from school for illnesses, appointments, or religious
475.11 events; and the right of noncustodial parents to access school records and conferences,
475.12 among other rights, are governed by section 120A.22.

475.13 Subd. 3. **Longitudinal data.** The parental right to annual summary longitudinal
475.14 performance and progress data is governed by section 120B.31.

475.15 Subd. 4. **Antibullying.** Parental rights related to school district antibullying
475.16 policies, including the right to be involved in developing the policies, the right to be
475.17 notified of incidents of prohibited conduct, and the right to be informed of data practices
475.18 laws, are governed by section 121A.031.

475.19 Subd. 5. **Student discipline policies.** The parental right to notice in student
475.20 discipline policies of rights under the Safe and Supportive Minnesota Schools Act is
475.21 governed by section 121A.0311.

475.22 Subd. 6. **Early childhood development screening.** Parental rights to certain notice
475.23 requirements related to early childhood development screening and to receive results of
475.24 early childhood development screening are governed by section 121A.17. The parental
475.25 right to provide consent before individual screening data may be disclosed to a school
475.26 district is governed by section 121A.18.

475.27 Subd. 7. **Chemical abuse.** The parental right to be informed of a reported case of
475.28 chemical abuse by a minor student is governed by section 121A.26.

475.29 Subd. 8. **Pesticides.** The parental right to be notified regarding the use of pesticides
475.30 at a school is governed by the Janet B. Johnson Parents' Right-to-Know Act under section
475.31 121A.30.

475.32 Subd. 9. **Student dismissal.** The parental right to notice and a meeting regarding
475.33 the removal of a student for more than ten days is governed by section 121A.45.

476.1 Subd. 10. **Exclusion and expulsion.** The parental right to be included in exclusion
476.2 or expulsion hearing procedures, including access to records, ability to testify and present
476.3 evidence, and inclusion in the student's readmission plan, is governed by section 121A.47.

476.4 Subd. 11. **Exclusion and expulsion appeal.** The parental right to notice of the right
476.5 to appeal an exclusion or expulsion decision is governed by section 121A.49.

476.6 Subd. 12. **Reinstatement after termination of dismissal.** The parental right to
476.7 notice of a student's right to be reinstated after the termination of dismissal is governed
476.8 by section 121A.54.

476.9 Subd. 13. **Interdistrict cooperation.** The parental right to notice of an
476.10 informational school board meeting relating to discontinuing interdistrict cooperation
476.11 is governed by section 123A.32.

476.12 Subd. 14. **Background checks.** The parental right to notice of a school's
476.13 background check policy for hiring teachers is governed by section 123B.03.

476.14 Subd. 15. **Textbook fees.** The parental right to notice of a school board's policy to
476.15 charge fees for textbooks lost or destroyed by students is governed by section 123B.37.

476.16 Subd. 16. **Transportation privileges.** The parental right to surrender a student's
476.17 privilege to receive transportation services from a school district is governed by section
476.18 123B.88.

476.19 Subd. 17. **Nonresident district policies.** The parental right to receive notice of: a
476.20 decision on an application by a student to attend school in a nonresident district; the
476.21 transportation policies of the nonresident district; and the right to be reimbursed for costs
476.22 of transportation to the nonresident district's border are governed by section 124D.03.

476.23 Subd. 18. **Out-of-state districts.** Under section 124D.04, the parental rights related
476.24 to a student attending a nonresident district under section 124D.03 apply to a student
476.25 attending an out-of-state district.

476.26 Subd. 19. **Free or reduced-price lunch eligibility.** The parental right to opt a child
476.27 out of disclosing a child's eligibility for free or reduced-price lunch to the Department of
476.28 Education and the Department of Human Services is governed by section 124D.1115.

476.29 Subd. 20. **Learning year programs.** The parental right to notice of optional
476.30 learning year programs is governed by section 124D.128.

476.31 Subd. 21. **English learners programs.** Parental rights related to student enrollment
476.32 in programs for English learners, including notice, withdrawal, and parental involvement,
476.33 are governed by section 124D.60.

476.34 Subd. 22. **Charter school transportation.** The parental right to receive
476.35 pupil transportation information from the charter school or school district providing
476.36 transportation services to a charter school student is governed by section 123B.88.

477.1 Subd. 23. **Services for children with disabilities.** The parental right to be included
477.2 in determining the appropriate and necessary services for students with disabilities is
477.3 governed by section 125A.027.

477.4 Subd. 24. **Data on children with disabilities.** The parental right to notice and
477.5 involvement regarding online reporting of data related to children with disabilities is
477.6 governed by section 125A.085.

477.7 Subd. 25. **Special education alternative dispute resolution.** Parental rights
477.8 regarding notice, participation, and due process related to special education alternative
477.9 dispute resolution procedures are governed by section 125A.091.

477.10 Subd. 26. **Third-party reimbursement for children with disabilities.** The
477.11 parental right to notice of a school district seeking reimbursement from medical assistance
477.12 or MinnesotaCare for services rendered to a student with a disability is governed by
477.13 section 125A.21.

477.14 Subd. 27. **Services provided to children with disabilities.** Parental rights
477.15 related to services provided to students eligible for Part C services under the Individuals
477.16 with Disabilities Education Act and the right to receive written materials regarding the
477.17 implementation of Part C services are governed by sections 125A.42 and 125A.48. The
477.18 parental right to use mediation to resolve disputes under section 125A.42 is governed
477.19 by section 125A.43.

477.20 Subd. 28. **Minnesota State Academies discharge.** The parental right to notice of a
477.21 student's discharge from the Minnesota State Academies is governed by section 125A.68.

477.22 Subd. 29. **Education records for military children.** The parental right to education
477.23 records under the Interstate Compact on Educational Opportunity for Military Children
477.24 is governed by section 127A.85.

477.25 Subd. 30. **Appeal adverse school board decision.** The parental right to appeal a
477.26 school board decision adversely affecting an academic program of an enrolled student is
477.27 governed by section 129C.10, subdivision 36.

477.28 Sec. 38. Minnesota Statutes 2014, section 125A.56, subdivision 1, is amended to read:

477.29 Subdivision 1. **Requirement.** (a) Before a pupil is referred for a special education
477.30 evaluation, the district must conduct and document at least two instructional strategies,
477.31 alternatives, or interventions using a system of scientific, research-based instruction and
477.32 intervention in academics or behavior, based on the pupil's needs, while the pupil is in the
477.33 regular classroom. The pupil's teacher must document the results. A special education
477.34 evaluation team may waive this requirement when it determines the pupil's need for the

478.1 evaluation is urgent. This section may not be used to deny a pupil's right to a special
478.2 education evaluation.

478.3 (b) A school district shall use alternative intervention services, including the
478.4 assurance of mastery program under section 124D.66, or an early intervening services
478.5 program under subdivision 2 to serve at-risk pupils who demonstrate a need for alternative
478.6 instructional strategies or interventions.

478.7 (c) A student identified as being unable to read at grade level under section 120B.12,
478.8 subdivision 2, paragraph (a), must be provided with alternate instruction under this
478.9 subdivision.

478.10 Sec. 39. Minnesota Statutes 2014, section 127A.095, is amended to read:

478.11 **127A.095 IMPLEMENTATION OF ~~NO CHILD LEFT BEHIND ACT~~**
478.12 **ELEMENTARY AND SECONDARY EDUCATION ACT.**

478.13 Subdivision 1. **Continued implementation.** The Department of Education shall
478.14 continue to implement the federal ~~No Child Left Behind Act, Public Law 107-110,~~
478.15 Elementary and Secondary Education Act without interruption.

478.16 ~~Subd. 2. **No Child Left Behind review.** (a) The legislature intends to require~~
478.17 ~~the Department of Education to conduct a comprehensive review of the consolidated~~
478.18 ~~state plan the state submitted to the federal Department of Education to implement the~~
478.19 ~~No Child Left Behind Act. The Minnesota Department of Education shall seek waivers~~
478.20 ~~under paragraph (b). If the Department of Education is unable to obtain waivers under~~
478.21 ~~paragraph (b), it should recommend in its report under paragraph (b) whether the state~~
478.22 ~~should opt out of the No Child Left Behind Act.~~

478.23 (b) ~~The commissioner, by January 15, 2008, shall report to the house of~~
478.24 ~~representatives and senate committees having jurisdiction over kindergarten through grade~~
478.25 ~~12 education policy and finance whether the department has received approval from~~
478.26 ~~the federal Department of Education to:~~

478.27 (1) ~~participate in the growth model pilot program;~~

478.28 (2) ~~exclude from sanctions schools that have not made adequate yearly progress due~~
478.29 ~~solely to a subgroup of students with disabilities not testing at a proficient level;~~

478.30 (3) ~~identify a school as not making adequate yearly progress only after the school has~~
478.31 ~~missed the adequate yearly progress targets in the same subgroup for two consecutive years;~~

478.32 (4) ~~determine when to hold schools accountable for including an English learner~~
478.33 ~~in adequate yearly progress calculations;~~

478.34 (5) ~~allow a district not making adequate yearly progress to offer supplemental~~
478.35 ~~educational services as an option before offering school choice;~~

479.1 ~~(6) allow a district not making adequate yearly progress to also be the supplemental~~
479.2 ~~educational services provider;~~

479.3 ~~(7) allow the state to maintain a subgroup size to 40 for the purposes of calculating~~
479.4 ~~adequate yearly progress for subgroups of English learners and subgroups of students~~
479.5 ~~with disabilities; and~~

479.6 ~~(8) create flexibility to enable the state to define and identify highly qualified teachers.~~

479.7 Subd. 3. **Department of Management and Budget certification.** If the federal
479.8 Department of Education does not transmit to the commissioner of education its approval
479.9 of the conditions in subdivision 2, paragraph (b), The commissioner of management and
479.10 budget shall certify and report to the legislature annually beginning January 1, 2008, the
479.11 amount of federal revenue, if any, that the federal government may withhold as a result
479.12 of a potential state decision to discontinue implementation of the No Child Left Behind
479.13 Act Elementary and Secondary Education Act. The report shall also specify the intended
479.14 purpose of the federal revenue and the amount of revenue that the federal government may
479.15 withhold from the state, each school district, and each charter school in each fiscal year.

479.16 Sec. 40. Minnesota Statutes 2014, section 129C.10, subdivision 1, is amended to read:

479.17 Subdivision 1. **Governance.** (a) The board of the Perpich Center for Arts Education
479.18 shall consist of 15 persons. The members of the board shall be appointed by the governor
479.19 with the advice and consent of the senate. At least one member must be appointed from
479.20 each congressional district.

479.21 (b) All board members must complete board training requirements consistent with
479.22 section 127A.19.

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

479.24 Sec. 41. Minnesota Statutes 2015 Supplement, section 136F.302, subdivision 1,
479.25 is amended to read:

479.26 Subdivision 1. **ACT college ready score; Minnesota Comprehensive Assessment**
479.27 **career and college ready benchmarks.** A state college or university ~~may~~ must not
479.28 require an individual to take a remedial, noncredit course in a subject area if the individual
479.29 has received a college ready ACT score or met a career and college ready Minnesota
479.30 Comprehensive Assessment benchmark in that subject area. Only the ACT and SAT
479.31 scores an individual received and the Minnesota Comprehensive Assessment benchmarks
479.32 an individual met in the previous five years are valid for purposes of this section. Each
479.33 state college and university must post notice of the exemption from remedial course taking
479.34 on its Web site explaining student course placement requirements.

480.1 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
480.2 later.

480.3 Sec. 42. **[136F.3025] MINNESOTA COMPREHENSIVE ASSESSMENT**
480.4 **CAREER AND COLLEGE READY BENCHMARKS; REMEDIAL EDUCATION.**

480.5 (a) A state college or university must not require an individual to take a remedial,
480.6 noncredit course in a subject area if the individual has received a career and college ready
480.7 Minnesota Comprehensive Assessment benchmark in that subject area, consistent with
480.8 benchmarks established by the commissioner of education pursuant to section 120B.30,
480.9 subdivision 1, paragraph (m).

480.10 (b) As part of the notification of high school students and their families under
480.11 section 120B.30, subdivision 1, paragraph (m), the commissioner shall include a statement
480.12 that students who receive a college ready benchmark on the high school MCA are not
480.13 required to take a remedial, noncredit course at a Minnesota state college or university in
480.14 the corresponding subject area.

480.15 **EFFECTIVE DATE.** If the chancellor approves the career and college ready
480.16 benchmarks, paragraph (a) must be effective for the 2016-2017 school year, if practicable,
480.17 but no later than the 2017-2018 school year. If the chancellor does not approve the
480.18 benchmarks, paragraph (a) is effective upon the establishment of revised benchmarks.
480.19 Paragraph (b) is effective for the 2016-2017 school year and later.

480.20 Sec. 43. Laws 2015, chapter 69, article 1, section 3, subdivision 28, is amended to read:

480.21			200,000
480.22	Subd. 28. Teacher Shortage Loan Forgiveness	200,000	<u>2,200,000</u>

480.23 For the loan forgiveness program under
480.24 Minnesota Statutes, section 136A.1791.

480.25 The commissioner may use no more
480.26 than three percent of this appropriation
480.27 to administer the program under this
480.28 subdivision. The base for the program for
480.29 fiscal year 2018 and later is \$200,000.

480.30 **EFFECTIVE DATE.** This section is effective the day following final enactment,
480.31 and any unexpended funds in fiscal year 2017 do not cancel and remain available until
480.32 June 30, 2019.

481.1 Sec. 44. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
481.2 2, is amended to read:

481.3 Subd. 2. **Alternative compensation.** For alternative teacher compensation aid
481.4 under Minnesota Statutes, section 122A.415, subdivision 4:

481.5		78,331,000		
481.6	\$	<u>78,907,000</u>	.....	2016
481.7		87,147,000		
481.8	\$	<u>89,049,000</u>	.....	2017

481.9 The 2016 appropriation includes \$7,766,000 for 2015 and ~~\$70,565,000~~ \$71,141,000
481.10 for 2016.

481.11 The 2017 appropriation includes ~~\$7,840,000~~ \$7,876,000 for 2016 and ~~\$79,307,000~~
481.12 \$81,173,000 for 2017.

481.13 Sec. 45. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
481.14 3, is amended to read:

481.15 Subd. 3. **Achievement and integration aid.** For achievement and integration aid
481.16 under Minnesota Statutes, section 124D.862:

481.17		65,539,000		
481.18	\$	<u>65,439,000</u>	.....	2016
481.19		68,745,000		
481.20	\$	<u>69,372,000</u>	.....	2017

481.21 The 2016 appropriation includes \$6,382,000 for 2015 and ~~\$59,157,000~~ \$59,057,000
481.22 for 2016.

481.23 The 2017 appropriation includes ~~\$6,573,000~~ \$6,561,000 for 2016 and ~~\$62,172,000~~
481.24 \$62,811,000 for 2017.

481.25 Sec. 46. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
481.26 6, is amended to read:

481.27 Subd. 6. **Reading Corps.** For grants to ServeMinnesota for the Minnesota Reading
481.28 Corps under Minnesota Statutes, section 124D.42, subdivision 8:

481.29	\$	6,125,000	.....	2016
481.30		6,125,000		
481.31	\$	<u>7,125,000</u>	.....	2017

481.32 Any balance ~~in the first year does not cancel but~~ is available ~~in the second year.~~ until
481.33 June 30, 2019. The base appropriation for fiscal year 2018 and later years is \$5,625,000.

481.34 Sec. 47. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
481.35 12, is amended to read:

482.1 Subd. 12. **Collaborative urban educator.** For the collaborative urban educator
 482.2 grant program:

482.3 \$ 780,000 2016
 482.4 780,000
 482.5 \$ 1,090,000 2017

482.6 Grants shall be awarded in equal amounts: ~~\$195,000~~ \$272,500 each year is for the
 482.7 Southeast Asian teacher program at Concordia University, St. Paul; ~~\$195,000~~ \$272,500
 482.8 each year is for the collaborative urban educator program at the University of St. Thomas;
 482.9 ~~\$195,000~~ \$272,500 each year is for the Center for Excellence in Urban Teaching at
 482.10 Hamline University; and ~~\$195,00~~ \$272,500 each year is for the East Africa Student to
 482.11 Teacher program at Augsburg College.

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

482.13 Each institution shall prepare for the legislature, by January 15 of each year, a
 482.14 detailed report regarding the funds used. The report must include the number of teachers
 482.15 prepared as well as the diversity for each cohort of teachers produced. The report must
 482.16 also include the graduation rate for each cohort of teacher candidates, the placement rate
 482.17 for each graduating cohort of teacher candidates, and the retention rate for each graduating
 482.18 cohort of teacher candidates, among other program outcomes.

482.19 The base appropriation for fiscal year 2018 and later is \$780,000. Grants shall
 482.20 be awarded in equal amounts: \$195,000 each year is for the Southeast Asian teacher
 482.21 program at Concordia University, St. Paul; \$195,000 each year is for the collaborative
 482.22 urban educator program at the University of St. Thomas; \$195,000 each year is for the
 482.23 Center for Excellence in Urban Teaching at Hamline University; and \$195,000 each year
 482.24 is for the East Africa Student to Teacher program at Augsburg College.

482.25 Sec. 48. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 482.26 15, is amended to read:

482.27 Subd. 15. **Museums and Education Centers.** For grants to museums and education
 482.28 centers:

482.29 \$ 351,000 2016
 482.30 351,000
 482.31 \$ 401,000 2017

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

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

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

482.35 (d) \$50,000 in fiscal year 2017 and later is for the Headwaters Science Center for
 482.36 hands-on science, technology, engineering, and math (STEM) education.

483.1 Any balance in the first year does not cancel but is available in the second year.
483.2 The base in fiscal year 2018 is \$401,000.

483.3 Sec. 49. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
483.4 19, is amended to read:

483.5 Subd. 19. **Full-service community schools.** For full-service community schools
483.6 under Minnesota Statutes, section 124D.231:

483.7 \$ 250,000 2016

483.8 ~~250,000~~

483.9 \$ 1,250,000 2017

483.10 This is a onetime appropriation. Up to \$50,000 each year is for administration of
483.11 this program. Any balance in the first year does not cancel but is available in the second
483.12 year. The base appropriation for fiscal year 2018 is \$0.

483.13 Sec. 50. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
483.14 21, is amended to read:

483.15 Subd. 21. **American Indian teacher preparation grants.** For joint grants to assist
483.16 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

483.17 \$ 190,000 2016

483.18 ~~\$190,000~~ 460,000 2017

483.19 Sec. 51. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
483.20 24, is amended to read:

483.21 Subd. 24. **Race 2 Reduce.** For grants to support expanded Race 2 Reduce water
483.22 conservation programming in Minnesota schools:

483.23 \$ 81,000 2016

483.24 ~~69,000~~

483.25 \$ 219,000 2017

483.26 In the first year, \$28,000 is for H2O for Life; \$38,000 is for Independent School
483.27 District No. 624, White Bear Lake; and \$15,000 is for Independent School District No.
483.28 832, Mahtomedi. In the second year, ~~\$32,000~~ \$102,000 is for H2O for Life; ~~\$22,000~~
483.29 \$70,000 is for Independent School District No. 624, White Bear Lake; and ~~\$15,000~~
483.30 \$47,000 is for Independent School District No. 832, Mahtomedi.

483.31 Any balance in the first year does not cancel but is available in the second year. The
483.32 base appropriation for fiscal year 2018 and later is ~~\$0~~ \$307,000, and the commissioner
483.33 shall proportionately increase the grant amount to each recipient.

484.1 Sec. 52. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
484.2 26, is amended to read:

484.3 Subd. 26. **Education partnership pilots.** (a) For education partnership pilot grants:

484.4 \$ 501,000 2016

484.5 ~~501,000~~

484.6 \$ 531,000 2017

484.7 (b) Of this amount, \$167,000 in fiscal year 2016 and \$177,000 in each fiscal year
484.8 2017 is for the Northfield Healthy Community Initiative for a pilot site in Northfield;
484.9 \$167,000 in fiscal year 2016 and \$177,000 in each fiscal year 2017 is for the Jones Family
484.10 Foundation for a pilot site in Red Wing; and \$167,000 in fiscal year 2016 and \$177,000 in
484.11 each fiscal year 2017 is for Independent School District No. 742, St. Cloud, for a pilot
484.12 site in St. Cloud. Each partnership pilot program shall support community collaborations
484.13 focused on academic achievement and youth development, use a comprehensive and
484.14 data-driven approach to increase student success, and measure outcomes, such as
484.15 kindergarten readiness, reading proficiency at third grade, high school graduation, and
484.16 college and career readiness. By February 15, 2016, and by February 15 of every
484.17 subsequent even-numbered year, each partnership pilot grant recipient shall submit to
484.18 the chairs and ranking minority members of the legislative committees with primary
484.19 jurisdiction over kindergarten through grade 12 education a report describing the activities
484.20 funded by the grant, changes in outcome measures attributable to the grant-funded
484.21 activities, and the recipient's program plan for the following year.

484.22 ~~This is a onetime appropriation.~~

484.23 (c) The base for this program is \$0 for fiscal year 2018.

484.24 (d) Any balance from the first year may carry forward into the second year.

484.25 Sec. 53. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision
484.26 6, is amended to read:

484.27 Subd. 6. **Northside Achievement Zone.** For a grant to the Northside Achievement
484.28 Zone:

484.29 \$ 1,200,000 2016

484.30 ~~1,200,000~~

484.31 \$ 1,210,000 2017

484.32 Funds appropriated in this section are to reduce multigenerational poverty and the
484.33 educational achievement gap through increased enrollment of families within the zone,
484.34 and may be used for Northside Achievement Zone programming and services consistent
484.35 with federal Promise Neighborhood program agreements and requirements.

484.36 The base for this program is \$1,200,000 for fiscal year 2018 and later.

485.1 Sec. 54. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision
485.2 7, is amended to read:

485.3 Subd. 7. **St. Paul Promise Neighborhood.** For a grant to the St. Paul Promise
485.4 Neighborhood:

485.5 \$ 1,200,000 2016

485.6 ~~1,200,000~~

485.7 \$ 1,210,000 2017

485.8 Funds appropriated in this section are to reduce multigenerational poverty and the
485.9 educational achievement gap through increased enrollment of families within the zone,
485.10 and may be used for St. Paul Promise Neighborhood programming and services consistent
485.11 with federal Promise Neighborhood program agreements and requirements.

485.12 The base for this program is \$1,200,000 for fiscal year 2018 and later.

485.13 Sec. 55. **AGRICULTURAL EDUCATOR GRANTS.**

485.14 Subdivision 1. **Grant program established.** A grant program is established to
485.15 support school districts in paying agricultural education teachers for work over the
485.16 summer with high school students in extended projects.

485.17 Subd. 2. **Application.** The commissioner of education shall develop the form and
485.18 method for applying for the grants. The commissioner shall develop criteria for determining
485.19 the allocation of the grants, including appropriate goals for the use of the grants.

485.20 Subd. 3. **Grant awards.** Grant funding under this section must be matched
485.21 by funding from the school district for the agricultural education teacher's summer
485.22 employment. Grant funding for each teacher is limited to the one-half share of 40 working
485.23 days.

485.24 Subd. 4. **Reports.** School districts that receive grant funds shall report to the
485.25 commissioner of education no later than December 31 of each year regarding the number
485.26 of teachers funded by the grant program and the outcomes compared to the goals
485.27 established in the grant application. The Department of Education shall develop the
485.28 criteria necessary for the reports.

485.29 Sec. 56. **SUPPORT OUR STUDENTS GRANT PROGRAM.**

485.30 Subdivision 1. **Definitions.** For the purposes of this section, the following terms
485.31 have the meanings given them:

486.1 (1) "student support services personnel" includes individuals licensed to serve as a
486.2 school counselor, school psychologist, school social worker, school nurse, or chemical
486.3 dependency counselor in Minnesota; and

486.4 (2) "new position" means a student support services personnel full-time or part-time
486.5 position not under contract by a school at the start of the 2015-2016 school year.

486.6 Subd. 2. **Purpose.** The purpose of the support our students grant program is to:

486.7 (1) address shortages of student support services personnel within Minnesota schools;

486.8 (2) decrease caseloads for existing student support services personnel to ensure
486.9 effective services;

486.10 (3) ensure that students receive effective academic guidance and integrated and
486.11 comprehensive services to improve kindergarten through grade 12 school outcomes and
486.12 career and college readiness;

486.13 (4) ensure that student support services personnel serve within the scope and practice
486.14 of their training and licensure;

486.15 (5) fully integrate learning supports, instruction, and school management within a
486.16 comprehensive approach that facilitates interdisciplinary collaboration; and

486.17 (6) improve school safety and school climate to support academic success and
486.18 career and college readiness.

486.19 Subd. 3. **Grant eligibility and application.** (a) A school district, charter school,
486.20 intermediate school district, or other cooperative unit is eligible to apply for a six-year
486.21 matching grant under this section.

486.22 (b) The commissioner of education shall specify the form and manner of the grant
486.23 application. In awarding grants, the commissioner must give priority to schools in
486.24 which student support services personnel positions do not currently exist. To the extent
486.25 practicable, the commissioner must award grants equally between applicants in metro
486.26 counties and nonmetro counties. Additional criteria must include at least the following:

486.27 (1) existing student support services personnel caseloads;

486.28 (2) school demographics;

486.29 (3) Title I revenue;

486.30 (4) Minnesota student survey data;

486.31 (5) graduation rates; and

486.32 (6) postsecondary completion rates.

486.33 Subd. 4. **Allowed uses; match requirements.** A grant under this section must be
486.34 used to hire a new position. A school that receives a grant must match the grant with local
486.35 funds in each year of the grant. In each of the first four years of the grant, the local match

487.1 equals \$1 for every \$1 awarded in the same year. In years five and six of the grant, the
487.2 local match equals \$3 for every \$1 awarded in the same year. The local match may not
487.3 include federal reimbursements attributable to the new position.

487.4 Subd. 5. **Report required.** By February 1 following any fiscal year in which it
487.5 received a grant, a school must submit a written report to the commissioner indicating
487.6 how the new positions affected two or more of the following measures:

- 487.7 (1) school climate;
- 487.8 (2) attendance rates;
- 487.9 (3) academic achievement;
- 487.10 (4) career and college readiness; and
- 487.11 (5) postsecondary completion rates.

487.12 Sec. 57. **STUDENT DISCIPLINE WORKING GROUP.**

487.13 (a) A Student Discipline Working Group is created to review the substance,
487.14 application, and effect of Minnesota's Pupil Fair Dismissal Act under Minnesota Statutes,
487.15 sections 121A.40 to 121A.56, and related student discipline provisions in Minnesota
487.16 Statutes, chapter 121A, and submit written recommendations to the chairs and ranking
487.17 minority members of the committees in the house of representatives and the senate with
487.18 jurisdiction over education by February 1, 2017, on improving disciplinary policies,
487.19 practices, and procedures as they affect students and school officials and the effects on
487.20 student outcomes.

487.21 (b) Consistent with paragraph (a), the working group must analyze:

487.22 (1) available summary data on elementary and secondary students' removal from
487.23 class, suspensions, exclusions, and expulsions, disaggregated by categories of race,
487.24 ethnicity, poverty, disabilities, homelessness, English language proficiency, gender, age,
487.25 and foster care status;

487.26 (2) the meaning and effect of "willful" in establishing grounds for dismissal under
487.27 Minnesota Statutes, section 121A.45;

487.28 (3) the impact of student misconduct on teacher safety;

487.29 (4) district and school policies and standards to ensure minority students and
487.30 English learners are not disproportionately determined eligible for special education
487.31 services, dismissed from school or otherwise disciplined, placed in settings other than
487.32 regular education classrooms, or dissuaded or otherwise prevented from taking rigorous
487.33 or challenging courses;

487.34 (5) the impact of established policies and due process procedures on teacher safety
487.35 and student outcomes;

488.1 (6) students' need for and access to professional support service providers such
488.2 as school counselors, school social workers, school psychologists, and mental health
488.3 professionals;

488.4 (7) the presence of school resource officers in school buildings, their role in effecting
488.5 student discipline, and their impact on teacher safety and student outcomes;

488.6 (8) policies for retaining and destroying student disciplinary data;

488.7 (9) best practices for school discipline; and

488.8 (10) other related school discipline matters that are of concern to working group
488.9 members.

488.10 (c) The working group consists of 21 members. By June 1, 2016, the executive
488.11 director of each of the following organizations shall appoint one representative of
488.12 that organization to serve as a member of the working group: the Minnesota School
488.13 Boards Association; the Minnesota Association of School Administrators; Education
488.14 Minnesota; the Minnesota Board of Peace Officer Standards and Training; the
488.15 Minnesota Disability Law Center; the National Alliance of Mental Illness Minnesota;
488.16 the Minnesota Association of Secondary School Principals; the Minnesota Elementary
488.17 School Principals' Association; the Association of Metropolitan School Districts; the
488.18 Minnesota Rural Education Association; the Minnesota School Counselors Association;
488.19 the Minnesota School Psychologists Association; the Parent Advocacy Coalition for
488.20 Educational Rights; Minnesota Administrators for Special Education; Schools for Equity
488.21 in Education; Minnesota Education Equity Partnership; Educators for Excellence; the
488.22 School Nurse Organization of Minnesota; the Minnesota Association of Charter Schools;
488.23 the Minnesota Youth Council; the Minnesota School Social Workers Association; and the
488.24 American Federation of State, County, and Municipal Employees (AFSCME). Working
488.25 group members must seek advice from experts and stakeholders in developing their
488.26 recommendations.

488.27 (d) The commissioner of education, or the commissioner's designee, must convene
488.28 the first meeting of the working group. The working group must select a chair or cochair
488.29 from among its members at the first meeting. The working group must meet periodically.
488.30 The commissioner must provide technical and administrative assistance to the working
488.31 group upon request. Working group members are not eligible to receive expenses or per
488.32 diem payments for serving on the working group.

488.33 (e) The working group expires February 2, 2017.

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

489.1 Sec. 58. **NORTHWEST REGIONAL PARTNERSHIP CONCURRENT**
489.2 **ENROLLMENT PROGRAM.**

489.3 Subdivision 1. **Definition.** "Northwest Regional Partnership" means a voluntary
489.4 association of the Lakes Country Service Cooperative, the Northwest Service Cooperative,
489.5 and Minnesota State University-Moorhead that works together to provide coordinated
489.6 higher learning opportunities for teachers.

489.7 Subd. 2. **Establishment.** Lakes Country Service Cooperative, in consultation with
489.8 the Northwest Service Cooperative, may develop a continuing education program to allow
489.9 eligible teachers to attain the requisite graduate credits necessary to be qualified to teach
489.10 secondary school courses for postsecondary credit.

489.11 Subd. 3. **Curriculum development.** Minnesota State University-Moorhead may
489.12 develop an online education curriculum to allow eligible secondary school teachers to
489.13 attain graduate credit at a reduced credit rate.

489.14 Subd. 4. **Funding for course development; scholarships; stipends.** Lakes
489.15 Country Service Cooperative, in consultation with the other members of the Northwest
489.16 Regional Partnership, shall:

489.17 (1) provide funding for course development for up to 18 credits in applicable
489.18 postsecondary subject areas;

489.19 (2) provide scholarships for eligible teachers to enroll in the continuing education
489.20 program; and

489.21 (3) develop criteria for awarding educator stipends on a per-credit basis to
489.22 incentivize participation in the continuing education program.

489.23 Subd. 5. **Participant eligibility.** Participation in the continuing education program
489.24 is reserved for teachers of secondary school courses for postsecondary credit. Priority
489.25 must be given to teachers employed by a school district that is a member of the Lakes
489.26 Country Service Cooperative or Northwest Service Cooperative. Teachers employed
489.27 by a school district that is not a member of the Lakes Country Service Cooperative or
489.28 Northwest Service Cooperative may participate in the continuing education program as
489.29 space allows. A teacher participating in this program is ineligible to participate in other
489.30 concurrent enrollment teacher training grant programs.

489.31 Subd. 6. **Private funding.** The partnership may receive private resources to
489.32 supplement the available public money. All money received shall be administered by
489.33 the Lakes Country Service Cooperative.

490.1 Subd. 7. **Report required.** Northwest Regional Partnership must submit an annual
490.2 report by January 15 of each year on the progress of its activities to the legislature,
490.3 commissioner of education, and Board of Trustees of the Minnesota State Colleges and
490.4 Universities. The annual report shall contain a financial report for the preceding year. The
490.5 first report is due no later than January 15, 2018.

490.6 **EFFECTIVE DATE.** This section is effective July 1, 2016.

490.7 Sec. 59. **GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS.**

490.8 Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education
490.9 must establish a grant program for student teaching stipends for low-income students
490.10 enrolled in a Board of Teaching-approved teacher preparation program who are interested
490.11 in teaching in a high needs subject area or region after graduating and receiving their
490.12 teaching license. For purposes of this section, "high needs subject area or region" means a
490.13 shortage of teachers teaching in particular subject areas or a shortage of teachers teaching
490.14 in particular regions of the state identified in the commissioner of education's biennial
490.15 survey of districts under Minnesota Statutes, section 127A.05, subdivision 6, or in another
490.16 Department of Education survey on teacher shortages.

490.17 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a teacher candidate
490.18 must:

490.19 (1) be enrolled in a Board of Teaching-approved teacher preparation program that
490.20 requires at least 12 weeks of student teaching and results in the teacher candidate receiving
490.21 a full professional teaching license enabling the licensee to teach in a high needs subject
490.22 area or region; and

490.23 (2) demonstrate financial need based on criteria established by the commissioner
490.24 under subdivision 3.

490.25 Subd. 3. **Administration; repayment.** (a) The commissioner must establish an
490.26 application process and other guidelines for implementing this program.

490.27 (b) The commissioner must determine each academic year the stipend amount based
490.28 on the amount of available funding and the number of eligible applicants.

490.29 **EFFECTIVE DATE.** This section is effective July 1, 2016.

490.30 Sec. 60. **MINNESOTA COMPREHENSIVE ASSESSMENT COLLEGE READY**
490.31 **BENCHMARKS; MINNESOTA STATE COLLEGES AND UNIVERSITIES**
490.32 **PARTICIPATION.**

491.1 The chancellor of the Minnesota State Colleges and Universities must approve or
491.2 reject the empirically derived benchmarks for the high school Minnesota Comprehensive
491.3 Assessments established by the commissioner of education under Minnesota Statutes,
491.4 section 120B.30, subdivision 1, paragraph (m), no later than December 31, 2016. The
491.5 chancellor's approval or rejection must be made in writing to the commissioner and, if the
491.6 benchmarks are rejected, must describe the reasons for rejection and suggest appropriate
491.7 revisions. If the chancellor rejects the benchmarks, the commissioner must establish
491.8 revised benchmarks. The revised benchmarks must incorporate the chancellor's suggested
491.9 revisions.

491.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.
491.11 If the established benchmarks are approved by the chancellor, the benchmarks must be
491.12 effective for the 2016-2017 school year, if practicable, but no later than the 2017-2018
491.13 school year. If revised benchmarks are required, the benchmarks must be established and
491.14 made effective no later than the 2018-2019 school year.

491.15 Sec. 61. **CERTIFICATION INCENTIVE REVENUE.**

491.16 Subdivision 1. **Qualifying certificates.** As soon as practicable, the commissioner
491.17 of education, in consultation with the Governor's Workforce Development Council
491.18 established under Minnesota Statutes, section 116L.665, and the P-20 education
491.19 partnership operating under Minnesota Statutes, section 127A.70, must establish the list of
491.20 qualifying career and technical certificates and post the names of those certificates on the
491.21 Department of Education's Web site. The certificates must be in fields where occupational
491.22 opportunities exist.

491.23 Subd. 2. **School district participation.** (a) A school board may adopt a policy
491.24 authorizing its students in grades 9 through 12, including its students enrolled in
491.25 postsecondary enrollment options courses under Minnesota Statutes, section 124D.09, the
491.26 opportunity to complete a qualifying certificate. The certificate may be completed as part
491.27 of a regularly scheduled course.

491.28 (b) A school district may register a student for any assessment necessary to complete
491.29 a qualifying certificate and pay any associated registration fees for its students.

491.30 Subd. 3. **Incentive funding.** (a) A school district's career and technical certification
491.31 aid equals \$500 times the district's number of students enrolled during the current fiscal
491.32 year who have obtained one or more qualifying certificates during the current fiscal year.

492.1 (b) The statewide total certificate revenue must not exceed \$1,000,000. The
492.2 commissioner must proportionately reduce the initial aid provided under this subdivision
492.3 so that the statewide aid cap is not exceeded.

492.4 Subd. 4. **Reports to the legislature.** (a) The commissioner of education must
492.5 report to the committees of the legislature with jurisdiction over kindergarten through
492.6 grade 12 education and higher education by February 1, 2017, on the number and types
492.7 of certificates authorized for the 2016-2017 school year. The commissioner must also
492.8 recommend whether the pilot program should be continued.

492.9 (b) By February 1, 2018, the commissioner of education must report to the
492.10 committees of the legislature with jurisdiction over kindergarten through grade 12
492.11 education and higher education about the number and types of certificates earned by
492.12 Minnesota's students during the 2016-2017 school year.

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

492.14 Sec. 62. **APPROPRIATIONS.**

492.15 Subdivision 1. **Department of Education.** The sums indicated in this section are
492.16 appropriated from the general fund to the Department of Education for the fiscal years
492.17 designated.

492.18 Subd. 2. **Staff development grants for cooperative units.** For payment of staff
492.19 development grants to intermediate school districts and other cooperative units providing
492.20 instruction to students in federal instructional settings of level 4 or higher:

492.21 § 4,500,000 2017

492.22 This is a onetime appropriation. This appropriation is available until June 30,
492.23 2019. To the extent practicable, this appropriation should fund staff development grants
492.24 for intermediate school districts and other cooperative units for fiscal years 2017, 2018,
492.25 and 2019.

492.26 Subd. 3. **Support our students grants.** For support our students grants:

492.27 § 12,133,000 2017

492.28 This is a onetime appropriation.

492.29 Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available
492.30 until June 30, 2022. The commissioner may not allot more than \$2,407,000 of this
492.31 appropriation before July 1, 2017. Up to \$100,000 of this appropriation may be retained

493.1 by the commissioner for administration of the grant program. Any balance remaining after
493.2 June 30, 2022, shall cancel to the general fund.

493.3 Subd. 4. **Northwest Regional Partnership concurrent enrollment program.** For a
493.4 grant to the Lakes Country Service Cooperative to operate a continuing education program:

493.5 \$ 3,000,000 2017

493.6 This is a onetime appropriation. This appropriation is available until June 30, 2019.

493.7 Subd. 5. **Paraprofessional pathway to teacher licensure.** For grants to school
493.8 districts for Grow Your Own new teacher programs:

493.9 \$ 1,500,000 2017

493.10 The grants are for a first class city school district or any other school district with
493.11 more than 40 percent minority students to provide tuition scholarships or stipends to
493.12 eligible employees for a nonconventional teacher residency pilot program established
493.13 under Minnesota Statutes, section 122A.09, subdivision 10, paragraph (a). The program
493.14 shall provide tuition scholarships or stipends to enable education or teaching assistants
493.15 or other nonlicensed employees of a first class city school district or any other school
493.16 district with more than 40 percent minority students who hold a bachelor's degree from
493.17 an accredited college or university and who seek an education license to participate in a
493.18 Board of Teaching-approved nonconventional teacher residency program under Minnesota
493.19 Statutes, section 122A.09, subdivision 10, paragraph (a). Any funds not awarded by June
493.20 1, 2017, may be reallocated among the remaining districts if the total cost of the program
493.21 exceeds the original allocation. The base in fiscal year 2018 is \$1,000,000.

493.22 Subd. 6. **Sanneh Foundation.** For a grant to the Sanneh Foundation:

493.23 \$ 1,500,000 2017

493.24 Funds appropriated in this section are to provide all-day, in-school, and after-school
493.25 academic and behavioral interventions for low-performing and chronically absent students
493.26 with a focus on low-income students and students of color throughout the school year and
493.27 during the summer to decrease absenteeism, encourage school engagement, and improve
493.28 grades and graduation rates. Funds appropriated in this section may be used to hire and
493.29 train staff in areas of youth mentorship, behavior support, and academic tutoring in group
493.30 and individual settings and to promote pathways for teachers of color.

493.31 This is a onetime appropriation. This appropriation is available until June 30, 2019.

493.32 Subd. 7. **Education Innovation Partners Cooperative Center.** For a matching
493.33 grant to Education Innovation Partners Cooperative Center, No. 6091-50, to provide

494.1 research-based professional development services, on-site training, and leadership
494.2 coaching to teachers and other school staff:

494.3 \$ 500,000 2017

494.4 A grant under this subdivision must be matched with money or in-kind contributions
494.5 from nonstate sources. This is a onetime appropriation.

494.6 Subd. 8. **Western Minnesota mobile manufacturing lab.** For a transfer to the
494.7 Pine to Prairie Cooperative Center:

494.8 \$ 900,000 2017

494.9 The funds in this subdivision must be used to establish a western Minnesota mobile
494.10 labs program, including manufacturing and welding labs to create interest in these careers
494.11 for secondary students. The program must be operated by Pine to Prairie Cooperative
494.12 Center in collaboration with Northland Community and Technical College, Lakes Country
494.13 Service Cooperative, and Minnesota State Community and Technical College.

494.14 This is a onetime appropriation. This appropriation is available until June 30, 2019.

494.15 Subd. 9. **Teacher-governed school grants.** For grants to teacher-governed schools
494.16 under Minnesota Statutes, section 123B.045:

494.17 \$ 500,000 2017

494.18 This is a onetime appropriation.

494.19 Subd. 10. **Girls in Action grant.** For a grant to the Girls in Action program to
494.20 enable Girls in Action to continue to provide and to expand Twin Cities metropolitan area
494.21 school and community-based programs that encourage and support low-income girls,
494.22 including low-income girls of color, to graduate from high school on time, complete a
494.23 postsecondary preparation program, become community leaders, and participate in service
494.24 learning opportunities in their communities. Girls in Action must expend \$500,000 of this
494.25 appropriation for community-based programs located in the Twin Cities metropolitan area:

494.26 \$ 1,500,000 2017

494.27 This is a onetime appropriation. This appropriation is available until June 30, 2019.

494.28 Subd. 11. **Student teachers in shortage areas.** For transfer to the commissioner of
494.29 the Office of Higher Education for the purpose of providing grants to student teachers in
494.30 shortage areas under Minnesota Statutes, section 136A.1275:

494.31 \$ 2,800,000 2017

494.32 This is a onetime appropriation. This appropriation is available until June 30, 2019.

495.1 Subd. 12. Minnesota Council on Economic Education. For a grant to the
495.2 Minnesota Council on Economic Education to provide staff development to teachers
495.3 for implementing the state graduation standards in learning areas relating to economic
495.4 education:

495.5 \$ 250,000 2017

495.6 The commissioner, in consultation with the council, shall develop expectations for
495.7 staff development outcomes, eligibility criteria for participants, an evaluation procedure,
495.8 and guidelines for direct and in-kind contributions by the council.

495.9 This is a onetime appropriation. This appropriation is available until June 30, 2019.

495.10 Subd. 13. Singing-based pilot program to improve student reading. (a) For a
495.11 grant to pilot a research-supported, computer-based educational program that uses singing
495.12 to improve the reading ability of students in grades 3 through 5:

495.13 \$ 100,000 2017

495.14 (b) The commissioner of education shall award a grant to the Rock 'n' Read Project
495.15 to implement in at least three Minnesota school districts, charter schools, or school sites, a
495.16 research-supported, computer-based educational program that uses singing to improve
495.17 the reading ability of students in grades 3 through 5. The grantee shall be responsible
495.18 for selecting participating school sites; providing any required hardware and software,
495.19 including software licenses, for the duration of the grant period; providing technical
495.20 support, training, and staff to install required project hardware and software; providing
495.21 on-site professional development and instructional monitoring and support for school staff
495.22 and students; administering pre- and post-intervention reading assessments; evaluating
495.23 the impact of the intervention; and other project management services as required. To the
495.24 extent practicable, the grantee must select participating schools in urban, suburban, and
495.25 greater Minnesota, and give priority to schools in which a high proportion of students do
495.26 not read proficiently at grade level and are eligible for free or reduced-price lunch.

495.27 (c) By February 15, 2017, the grantee must submit a report detailing expenditures
495.28 and outcomes of the grant to the commissioner of education and the chairs and
495.29 ranking minority members of the legislative committees with primary jurisdiction over
495.30 kindergarten through grade 12 education policy and finance.

495.31 (d) This is a onetime appropriation.

495.32 Subd. 14. Agricultural educator grants. For agricultural educator grants:

495.33 \$ 250,000 2017

495.34 This is a onetime appropriation. This appropriation is available until June 30, 2019.

496.1 Subd. 15. **Certificate incentive funding.** For the certificate incentive program:

496.2 \$ 1,000,000 2017

496.3 This is a onetime appropriation. This appropriation is available until June 30, 2019.

496.4 Subd. 16. **Grants for vision therapy pilot project.** (a) For a grant to Independent
496.5 School District No. 12, Centennial, to implement a neuro-optometric vision therapy
496.6 pilot project:

496.7 \$ 200,000 2017

496.8 This is a onetime appropriation and is available until June 30, 2019.

496.9 (b) In each year of the pilot project, second and third grade students identified by
496.10 a set of criteria created by the district shall be admitted into the pilot study. Identified
496.11 students shall have a comprehensive eye examination with written standard requirements
496.12 of testing. Students identified with a diagnosis of convergence insufficiency must undergo
496.13 a vision efficiency evaluation by a licensed optometrist or ophthalmologist trained in the
496.14 evaluation of learning-related vision problems. The results of this examination shall
496.15 determine whether a student will qualify for neuro-optometric vision therapy funded by
496.16 the grant. The parent or guardian of a student who qualifies for the pilot program under
496.17 this paragraph may submit a written notification to the school opting the student out
496.18 of the program. The district must establish guidelines to provide quality standards and
496.19 measures to ensure an appropriate diagnosis and treatment plan that is consistent with the
496.20 convergence insufficiency treatment trial study.

496.21 (c) The commissioner of education must provide for an evaluation of the pilot
496.22 project and make a report to the legislative committees with jurisdiction over kindergarten
496.23 through grade 12 education policy and finance by January 15, 2020.

496.24 Subd. 17. **Southwest Minnesota State University special education**
496.25 **teacher education program.** For the Southwest Minnesota State University special
496.26 education teacher education program to support Minnesota resident special education
496.27 paraprofessionals working toward licensure in an online program:

496.28 \$ 385,000 2017

496.29 The base for this program in fiscal year 2018 is \$0.

496.30 Subd. 18. **Student success grant.** For a grant to Independent School District No.
496.31 272, Eden Prairie, for career and college readiness coordination, counseling, academic
496.32 support for middle and high school students, and summer activities and before and after
496.33 school tutoring programs:

498.1 financial plan, governance and management structure, and background and experience,
498.2 plus any other information the authorizer requests. The application also shall include a
498.3 "statement of assurances" of legal compliance prescribed by the commissioner.

498.4 (b) "Affidavit" means a written statement the authorizer submits to the commissioner
498.5 for approval to establish a charter school under section 124E.06, subdivision 4, attesting to
498.6 its review and approval process before chartering a school.

498.7 (b) For purposes of this chapter:

498.8 (1) "related party" means an affiliate or immediate relative of the other party in
498.9 question, an affiliate of an immediate relative, or an immediate relative of an affiliate;

498.10 (2) (c) "Affiliate" means a person that directly or indirectly, through one or more
498.11 intermediaries, controls, is controlled by, or is under common control with another person;

498.12 (d) "Control" means the ability to affect the management, operations, or policy actions
498.13 or decisions of a person, whether by owning voting securities, by contract, or otherwise.

498.14 (3) (e) "Immediate family" means an individual whose relationship by blood,
498.15 marriage, adoption, or partnering partnership is no more remote than first cousin;

498.16 (4) (f) "Person" means an individual or entity of any kind; and

498.17 (5) "control" means the ability to affect the management, operations, or policy
498.18 actions or decisions of a person, whether through ownership of voting securities, by
498.19 contract, or otherwise.

498.20 (g) "Related party" means an affiliate or immediate relative of the other interested
498.21 party, an affiliate of an immediate relative who is the other interested party, or an
498.22 immediate relative of an affiliate who is the other interested party.

498.23 (h) For purposes of this chapter, the terms defined in section 120A.05 have the
498.24 same meanings.

498.25 Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.03, is amended to read:

498.26 **124E.03 APPLICABLE LAW.**

498.27 Subdivision 1. **Public status; exemption from statutes and rules.** A charter school
498.28 is a public school and is part of the state's system of public education. A charter school is
498.29 exempt from all statutes and rules applicable to a school, school board, or school district
498.30 unless a statute or rule is made specifically applicable to a charter school or is included
498.31 in this chapter.

498.32 Subd. 2. **General Certain federal, state, and local requirements.** (a) A charter
498.33 school shall meet all federal, state, and local health and safety requirements applicable
498.34 to school districts.

499.1 (b) A school must comply with statewide accountability requirements governing
499.2 standards and assessments in chapter 120B.

499.3 (c) A charter school ~~is subject to and~~ must comply with the Minnesota Public School
499.4 Fee Law, sections 123B.34 to 123B.39.

499.5 (d) A charter school is a district for the purposes of tort liability under chapter 466.

499.6 (e) A charter school ~~is subject to~~ must comply with the Pledge of Allegiance
499.7 requirement under section 121A.11, subdivision 3.

499.8 (f) A charter school and charter school board of directors ~~are subject to~~ must comply
499.9 with chapter 181 governing requirements for employment.

499.10 (g) A charter school ~~is subject to and~~ must comply with continuing truant notification
499.11 under section 260A.03.

499.12 (h) A charter school must develop and implement a teacher evaluation and peer
499.13 review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to
499.14 (13). The teacher evaluation process in this paragraph does not create any additional
499.15 employment rights for teachers.

499.16 (i) A charter school must adopt a policy, plan, budget, and process, consistent with
499.17 section 120B.11, to review curriculum, instruction, and student achievement and strive
499.18 for the world's best workforce.

499.19 Subd. 3. **Pupils with a disability.** A charter school must comply with sections
499.20 125A.02, 125A.03 to 125A.24, 125A.65, and 125A.75 and rules relating to the education
499.21 of pupils with a disability as though it were a district. A charter school enrolling
499.22 prekindergarten pupils with a disability under section 124E.11, paragraph (h), must
499.23 comply with sections 125A.259 to 125A.48 and rules relating to the Interagency Early
499.24 Intervention System as though it were a school district.

499.25 Subd. 4. **Students' rights and related law.** (a) A charter school ~~student~~ must
499.26 ~~be released~~ release a student for religious instruction, consistent with section 120A.22,
499.27 subdivision 12, clause (3).

499.28 (b) A charter school ~~is subject to and~~ must comply with chapter 363A governing the
499.29 Minnesota Human Rights Act and section 121A.04 governing student athletics and sex
499.30 discrimination in schools.

499.31 (c) A charter school must comply with section 121A.031 governing policies on
499.32 ~~prohibited conduct~~ bullying.

499.33 Subd. 5. **Records, meetings, and data requirements.** (a) A charter school must
499.34 comply with ~~chapters~~ chapter 13 and 13D governing government data; and sections
499.35 ~~120A.22, subdivision 7;~~ 121A.75; governing access to juvenile justice records, and
499.36 260B.171, subdivisions 3 and 5, governing juvenile justice records.

500.1 (b) A charter school must comply with section 120A.22, subdivision 7, governing
500.2 the transfer of students' educational records and sections 138.163 and 138.17 governing
500.3 the management of local records.

500.4 Subd. 5a. **Open meetings.** A charter school must comply with chapter 13D
500.5 governing open meetings.

500.6 Subd. 6. **Length of school year.** A charter school must provide instruction each
500.7 year for at least the number of hours required by section 120A.41. It may provide
500.8 instruction throughout the year according to under sections 124D.12 to 124D.127 or
500.9 124D.128 governing learning year programs.

500.10 Subd. 7. **Additional program-specific requirements.** (a) A charter school offering
500.11 online courses or programs must comply with section 124D.095 governing online learning.

500.12 (b) A charter school that provides early childhood health and developmental screening
500.13 must comply with sections 121A.16 to 121A.19 governing early childhood screening.

500.14 (c) A charter school that provides school-sponsored youth athletic activities must
500.15 comply with section 121A.38 governing policies on concussions.

500.16 Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.05, is amended to read:

500.17 **124E.05 AUTHORIZERS.**

500.18 Subdivision 1. **Eligible authorizers.** (a) The following organizations in this
500.19 subdivision may authorize one or more charter schools:

500.20 ~~(1)~~ (b) A school board, intermediate school district school board, or education
500.21 district organized under sections 123A.15 to 123A.19; may authorize a charter school.

500.22 ~~(2)~~ (c) A charitable organization under section 501(c)(3) of the Internal Revenue
500.23 Code of 1986, excluding a nonpublic sectarian or religious institution; any person other
500.24 than a natural person that directly or indirectly, through one or more intermediaries,
500.25 controls, is controlled by, or is under common control with the nonpublic sectarian or
500.26 religious institution; and any other charitable organization under this clause that in the
500.27 federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that
500.28 may authorize a charter school, if the organization:

500.29 ~~(i)~~ (1) is a member of the Minnesota Council of Nonprofits or the Minnesota Council
500.30 on Foundations;

500.31 ~~(ii)~~ (2) is registered with the attorney general's office; and

500.32 ~~(iii)~~ (3) is incorporated in the state of Minnesota and has been operating continuously
500.33 for at least five years but does not operate a charter school; and

500.34 (4) is not:

500.35 (i) a nonpublic sectarian or religious institution;

501.1 (ii) any person other than a natural person that directly or indirectly, through one
501.2 or more intermediaries, controls, is controlled by, or is under common control with the
501.3 nonpublic sectarian or religious institution; or

501.4 (iii) any other charitable organization under this paragraph that in the federal IRS
501.5 Form 1023, Part IV, describes activities indicating a religious purpose.

501.6 ~~(3) (d) A Minnesota private college, notwithstanding clause (2), that grants two- or~~
501.7 ~~four-year degrees and is registered with the Minnesota Office of Higher Education under~~
501.8 ~~chapter 136A; may authorize a charter school, notwithstanding paragraph (c).~~

501.9 ~~(e) community college, A state college or university, or technical college governed~~
501.10 ~~by the Board of Trustees of the Minnesota State Colleges and Universities; or may~~
501.11 ~~authorize a charter school.~~

501.12 ~~(f) The University of Minnesota; may authorize a charter school.~~

501.13 ~~(4) (g) A nonprofit corporation subject to chapter 317A, described in section~~
501.14 ~~317A.905; and exempt from federal income tax under section 501(c)(6) of the Internal~~
501.15 ~~Revenue Code of 1986, may authorize one or more charter schools if the charter school~~
501.16 ~~has operated for at least three years under a different authorizer and if the nonprofit~~
501.17 ~~corporation has existed for at least 25 years; or.~~

501.18 ~~(5) (h) A single-purpose authorizers authorizer formed as a charitable, nonsectarian~~
501.19 ~~organizations organization under section 501(c)(3) of the Internal Revenue Code of 1986~~
501.20 ~~and incorporated in the state of Minnesota under chapter 317A as a corporation with no~~
501.21 ~~members or under section 322B.975 as a nonprofit limited liability company for the sole~~
501.22 ~~purpose of chartering schools may authorize a charter school. An eligible organization~~
501.23 ~~interested in being approved as an authorizer under this paragraph must submit a proposal~~
501.24 ~~to the commissioner that includes the provisions of subdivision 3 and a five-year financial~~
501.25 ~~plan. A single-purpose authorizer under this paragraph shall consider and approve~~
501.26 ~~charter school applications using the criteria under section 124E.06 and shall not limit~~
501.27 ~~the applications it solicits, considers, or approves to any single curriculum, learning~~
501.28 ~~program, or method.~~

501.29 **Subd. 2. Requirements for authorizers.** ~~(a) Eligible organizations interested in~~
501.30 ~~being approved as an authorizer under subdivision 1, clause (5), must submit a proposal to~~
501.31 ~~the commissioner that includes the provisions of subdivision 3 and a five-year financial~~
501.32 ~~plan. Such authorizers shall consider and approve charter school applications using~~
501.33 ~~the criteria provided in section 124E.06 and shall not limit the applications it solicits,~~
501.34 ~~considers, or approves to any single curriculum, learning program, or method.~~

501.35 ~~(b) The authorizer must participate in department-approved training.~~

502.1 Subd. 3. **Application process.** (a) An eligible authorizer under this section must
502.2 apply to the commissioner for approval as an authorizer before submitting any affidavit to
502.3 the commissioner to charter a school. The application for approval as a charter school
502.4 authorizer must ~~demonstrate~~ show the applicant's ability to implement the procedures
502.5 and satisfy the criteria for chartering a school under this chapter. The commissioner
502.6 must approve or disapprove ~~an~~ the application within 45 business days of the ~~application~~
502.7 deadline for that application period. If the commissioner disapproves the application, the
502.8 commissioner must notify the applicant of the specific deficiencies in writing and the
502.9 applicant then has 20 business days to address the deficiencies to the commissioner's
502.10 satisfaction. After the 20 business days expire, the commissioner has 15 business days
502.11 to make a final decision to approve or disapprove the application. Failing to address
502.12 the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be
502.13 an authorizer. The commissioner, in establishing criteria ~~for approval~~ to approve an
502.14 authorizer, consistent with subdivision 4, must consider the applicant's:

502.15 (1) ~~capacity and infrastructure and capacity to serve as an authorizer~~;

502.16 (2) application criteria and process;

502.17 (3) contracting process;

502.18 (4) ongoing oversight and evaluation processes; and

502.19 (5) renewal criteria and processes.

502.20 (b) A disapproved applicant under this section may resubmit an application during a
502.21 future application period.

502.22 Subd. 4. **Application content.** To be approved as an authorizer, an applicant must
502.23 include in its application to the commissioner ~~to be an approved authorizer~~ at least the
502.24 following:

502.25 (1) how the organization carries out its mission by chartering schools ~~is a way for~~
502.26 ~~the organization to carry out its mission~~;

502.27 (2) ~~a description of the capacity of the organization~~ the organization's capacity
502.28 serve as an authorizer, including the personnel who ~~will~~ perform the authorizing duties,
502.29 their qualifications, the amount of time they ~~will be~~ are assigned ~~to~~ this responsibility, and
502.30 the financial resources ~~allocated by the organization~~ allocates to this responsibility;

502.31 (3) ~~a description of the application and review process the authorizer will use~~ uses to
502.32 ~~make decisions regarding the granting of~~ decide whether to grant charters;

502.33 (4) ~~a description of the type of contract it will arrange~~ arranges with the schools it
502.34 charters ~~that meets~~ to meet the provisions of section 124E.10;

502.35 (5) the process ~~to be used for providing ongoing oversight of~~ overseeing the school,
502.36 consistent with ~~the contract expectations specified in clause (4) that assures~~, to ensure that

503.1 the schools chartered are ~~complying~~ comply with ~~both the provisions of~~ applicable law
503.2 and rules; and ~~with~~ the contract;

503.3 (6) ~~a description of the criteria and process the authorizer will use~~ uses to ~~grant~~
503.4 ~~expanded~~ approve applications adding grades or sites under section 124E.06, subdivision 5;

503.5 (7) the process for ~~making decisions regarding the renewal or termination of~~ renewing
503.6 or terminating the school's charter based on evidence ~~that demonstrates~~ showing the
503.7 academic, organizational, and financial competency of the school, including its success in
503.8 increasing student achievement and meeting the goals of the charter school agreement; and

503.9 (8) an assurance specifying that the organization is committed to serving as an
503.10 authorizer for the full five-year term.

503.11 Subd. 5. **Review by commissioner.** The commissioner shall review an authorizer's
503.12 performance every five years in a manner and form determined by the commissioner and
503.13 may review an authorizer's performance more frequently at the commissioner's own
503.14 initiative or at the request of a charter school operator, charter school board member, or
503.15 other interested party. The commissioner, after completing the review, shall transmit a
503.16 report with findings to the authorizer.

503.17 Subd. 6. **Corrective action.** (a) If, consistent with this chapter, the commissioner
503.18 finds that an authorizer has not ~~fulfilled~~ met the requirements of this chapter, the
503.19 commissioner may subject the authorizer to corrective action, which may include
503.20 terminating the contract with the charter school board of directors of a school it chartered.
503.21 The commissioner must notify the authorizer in writing of any findings that may subject
503.22 the authorizer to corrective action and the authorizer then has 15 business days to request
503.23 an informal hearing before the commissioner takes corrective action. If the commissioner
503.24 terminates a contract between an authorizer and a charter school under this paragraph, the
503.25 commissioner may assist the charter school in acquiring a new authorizer.

503.26 (b) The commissioner may at any time take corrective action against an authorizer,
503.27 including terminating an authorizer's ability to charter a school for:

503.28 (1) failing to demonstrate the criteria under subdivision 4 3 under which the
503.29 commissioner approved the authorizer;

503.30 (2) violating a term of the chartering contract between the authorizer and the charter
503.31 school board of directors;

503.32 (3) unsatisfactory performance as an approved authorizer; or

503.33 (4) any good cause shown that ~~provides~~ gives the commissioner a legally sufficient
503.34 reason to take corrective action against an authorizer.

503.35 Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to
503.36 withdraw as an approved authorizer for a reason unrelated to any cause under section

504.1 124E.10, subdivision 4, the authorizer must notify all its chartered schools and the
504.2 commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in
504.3 the next calendar year, regardless of when the authorizer's five-year term of approval ends.
504.4 The commissioner may approve the transfer of a charter school to a new authorizer ~~under~~
504.5 ~~this subdivision~~ after the new authorizer submits an affidavit to the commissioner.

504.6 Subd. 8. **Reports.** By September 30 of each year, an authorizer shall submit to the
504.7 commissioner a statement of income and expenditures related to chartering activities
504.8 during the previous school year ending June 30. ~~A copy of the statement shall be given~~
504.9 ~~to all schools chartered by the authorizer.~~ The authorizer must transmit a copy of the
504.10 statement to all schools it charters.

504.11 Sec. 5. Minnesota Statutes 2015 Supplement, section 124E.06, is amended to read:

504.12 **124E.06 FORMING A SCHOOL.**

504.13 Subdivision 1. **Individuals eligible to organize.** (a) An authorizer, after receiving
504.14 an application from a charter school developer, may charter either a licensed teacher
504.15 under section 122A.18, subdivision 1, or a group of individuals that includes one or more
504.16 licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the
504.17 commissioner's approval of the authorizer's affidavit under subdivision 4.

504.18 (b) "Application" under this section means the charter school business plan a charter
504.19 school developer submits to an authorizer for approval to establish a charter school. This
504.20 application must include:

504.21 (1) the school developer's:

504.22 (i) mission statement;

504.23 (ii) school purposes;

504.24 (iii) program design;

504.25 (iv) financial plan;

504.26 (v) governance and management structure; and

504.27 (vi) background and experience;

504.28 (2) any other information the authorizer requests; and

504.29 (3) a "statement of assurances" of legal compliance prescribed by the commissioner.

504.30 ~~(b)~~ (c) An authorizer shall not approve an application submitted by a charter school
504.31 developer under paragraph (a) if the application does not comply with subdivision 3,
504.32 paragraph ~~(d)~~ (e), and section 124E.01, subdivision 1. The commissioner shall not
504.33 approve an affidavit submitted by an authorizer under subdivision 4 if the affidavit does
504.34 not comply with subdivision 3, paragraph ~~(d)~~ (e), and section 124E.01, subdivision 1.

505.1 Subd. 2. **Nonprofit corporation.** (a) The school must be organized and operated as
505.2 a nonprofit corporation under chapter 317A and the provisions ~~under the applicable of that~~
505.3 chapter shall apply to the school except as provided in this chapter.

505.4 ~~(b)~~ (b) The operators authorized to organize and operate a school; must incorporate as a
505.5 nonprofit corporation before entering into a contract or other agreement for professional
505.6 or other services, goods, or facilities; ~~must incorporate as a nonprofit corporation under~~
505.7 ~~chapter 317A.~~

505.8 ~~(e)~~ (b) Notwithstanding sections 465.717 and 465.719, a school district, subject to
505.9 this chapter, may create a corporation for the purpose of establishing a charter school.

505.10 Subd. 3. **Requirements.** (a) The primary focus of a charter school must be to
505.11 provide a comprehensive program of instruction for at least one grade or age group from
505.12 ages five through 18 years of age. ~~Instruction~~ A charter school may be provided provide
505.13 instruction to people older than 18 years of age.

505.14 (b) A charter school may offer a free or fee-based preschool or prekindergarten that
505.15 meets high-quality early learning instructional program standards ~~that are~~ aligned with
505.16 Minnesota's early learning standards for children. The hours a student is enrolled in a
505.17 fee-based prekindergarten program do not generate pupil units under section 126C.05 and
505.18 must not be used to calculate general education revenue under section 126C.10.

505.19 ~~(b)~~ (c) A charter school must be nonsectarian in its programs, admission policies,
505.20 employment practices, and all other operations. An authorizer may not authorize a charter
505.21 school or program that is affiliated with a nonpublic sectarian school or a religious
505.22 institution.

505.23 ~~(e)~~ (d) ~~Charter schools~~ A charter school must not be used as a method of providing
505.24 to provide education or ~~generating~~ generate revenue for ~~students who are being~~
505.25 home-schooled students. This paragraph does not apply to shared time aid under section
505.26 126C.19.

505.27 ~~(d)~~ (e) This chapter does not provide a means to keep open a school that a
505.28 school board decides to close. However, a school board may endorse or authorize ~~the~~
505.29 ~~establishment of~~ establishing a charter school to replace the school the board decided to
505.30 close. Applicants seeking a charter under this circumstance must demonstrate to the
505.31 authorizer that the charter sought is substantially different in purpose and program from
505.32 the school the board closed and that the proposed charter satisfies the requirements of
505.33 section 124E.01, subdivision 1. If the school board that closed the school authorizes
505.34 the charter, it must document in its affidavit to the commissioner that the charter is
505.35 substantially different in program and purpose from the school it closed.

506.1 (e) ~~(f)~~ A school authorized by a school board may be located in any district, unless
506.2 the school board of the district of the proposed location disapproves the location by
506.3 written resolution.

506.4 ~~(f)~~ (g) Except as provided in paragraph ~~(a)~~ (b), a charter school may not charge tuition.

506.5 ~~(g)~~ (h) The authorizer may prevent an approved charter school from opening for
506.6 operation if, among other grounds, the charter school violates this chapter or does not meet
506.7 the ready-to-open standards that are part of (1) the authorizer's oversight and evaluation
506.8 process or ~~are~~ (2) stipulated in the charter school contract.

506.9 Subd. 4. ~~Authorizer's affidavit; approval process; authorizer's affidavit.~~ (a)
506.10 Before ~~the operators~~ an operator may establish and operate a school, the authorizer must
506.11 file an affidavit with the commissioner stating its intent to charter a school. An authorizer
506.12 must file a separate affidavit for each school it intends to charter. An authorizer must file
506.13 an affidavit at least 14 months before July 1 of the year the new charter school plans to
506.14 serve students. The affidavit must state:

506.15 (1) the terms and conditions under which the authorizer would charter a school; and

506.16 (2) how the authorizer intends to oversee:

506.17 (i) the fiscal and student performance of the charter school; and

506.18 ~~to comply~~ (ii) compliance with the terms of the written contract between the
506.19 authorizer and the charter school board of directors under section 124E.10, subdivision 1.

506.20 (b) The commissioner must approve or disapprove the authorizer's affidavit within
506.21 60 business days of ~~receipt of~~ receiving the affidavit. If the commissioner disapproves the
506.22 affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit
506.23 and the authorizer then has 20 business days to address the deficiencies. The commissioner
506.24 must notify the authorizer of the commissioner's final approval or final disapproval
506.25 within 15 business days after receiving the authorizer's response to the deficiencies
506.26 in the affidavit. If the authorizer does not address deficiencies to the commissioner's
506.27 satisfaction, the commissioner's disapproval is final. ~~Failure to obtain commissioner~~
506.28 ~~approval precludes~~ An authorizer who fails to obtain the commissioner's approval is
506.29 precluded from chartering the school that is the subject of this affidavit.

506.30 Subd. 5. ~~Expansion of a charter~~ Adding grades or sites. (a) A charter school
506.31 may apply to the authorizer to amend the school charter to ~~expand the operation of~~
506.32 ~~the school to additional~~ add grades or sites ~~that would be students' primary enrollment~~
506.33 ~~site sites~~ beyond those defined in the original affidavit approved by the commissioner.

506.34 After approving the school's application, the authorizer shall submit a ~~supplementary~~
506.35 supplemental affidavit in the form and manner prescribed by the commissioner. The
506.36 authorizer must file a ~~supplement~~ supplemental affidavit to the commissioner by October

507.1 1 to be eligible to ~~expand~~ add grades or sites in the next school year. The ~~supplementary~~
507.2 supplemental affidavit must document that ~~the school has demonstrated to the~~ authorizer's
507.3 satisfaction of the authorizer the following:

507.4 (1) the need for the ~~expansion~~ additional grades or sites with supporting long-range
507.5 enrollment projections;

507.6 (2) a longitudinal record of ~~demonstrated~~ student academic performance and growth
507.7 on statewide assessments under chapter 120B or on other academic assessments that
507.8 measure longitudinal student performance and growth approved by the charter school's
507.9 board of directors and agreed upon with the authorizer;

507.10 (3) a history of sound school finances and a ~~finance~~ plan to ~~implement the expansion~~
507.11 ~~in a manner to promote~~ add grades or sites that sustains the school's ~~financial sustainability~~
507.12 finances; and

507.13 (4) board capacity ~~and an administrative and management plan to implement its~~
507.14 ~~expansion to administer and manage the additional grades or sites.~~

507.15 (b) The commissioner shall have 30 business days to review and comment on the
507.16 supplemental affidavit. The commissioner shall notify the authorizer in writing of any
507.17 deficiencies in the supplemental affidavit and the authorizer then has 20 business days to
507.18 address; ~~to the commissioner's satisfaction~~; any deficiencies in the supplemental affidavit
507.19 to the commissioner's satisfaction. The commissioner must notify the authorizer of final
507.20 approval or final disapproval within 15 business days after receiving the authorizer's
507.21 response to the deficiencies in the affidavit. The school may not ~~expand~~ add grades or ~~add~~
507.22 sites until the commissioner has approved the supplemental affidavit. The commissioner's
507.23 approval or disapproval of a supplemental affidavit is final.

507.24 Subd. 6. **Conversion of existing schools.** A board of an independent or special
507.25 school district may convert one or more of its existing schools to charter schools under
507.26 this chapter if 60 percent of the full-time teachers at the school sign a petition seeking
507.27 conversion. The conversion must occur at the beginning of an academic year.

507.28 Subd. 7. **Merger.** (a) Two or more charter schools may merge under chapter 317A.
507.29 The effective date of a merger must be July 1. The merged school must continue under
507.30 the identity of one of the merging schools. The authorizer and the merged school must
507.31 execute a new charter contract under section 124E.10, subdivision 1, must be executed by
507.32 July 1. The authorizer must submit to the commissioner a copy of the new signed charter
507.33 contract within ten business days of ~~its execution~~ executing the contract.

507.34 (b) Each merging school must submit a separate year-end report for the previous
507.35 fiscal year for that school only. After the final fiscal year of the premerger schools is

508.1 closed out, each of those schools must transfer the fund balances and debts from the
508.2 ~~merging schools must be transferred~~ to the merged school.

508.3 (c) For its first year of operation, the merged school is eligible to receive aid from
508.4 programs requiring approved applications equal to the sum of the aid of all of the merging
508.5 schools. For aids based on prior year data, the merged school is eligible to receive aid for
508.6 its first year of operation based on the combined data of all of the merging schools.

508.7 Sec. 6. Minnesota Statutes 2015 Supplement, section 124E.07, is amended to read:

508.8 **124E.07 BOARD OF DIRECTORS.**

508.9 Subdivision 1. **Initial board of directors.** Before entering into a contract or other
508.10 agreement for professional or other services, goods, or facilities, the operators authorized
508.11 to organize and operate a school, ~~before entering into a contract or other agreement for~~
508.12 ~~professional or other services, goods, or facilities,~~ must establish a board of directors
508.13 composed of at least five members who are not related parties. The initial board continues
508.14 to serve until a timely election for members of the ongoing charter school board of
508.15 directors is held according to the school's articles and bylaws under subdivision 4.

508.16 Subd. 2. **Ongoing board of directors.** The ongoing board must be elected before
508.17 the school completes its third year of operation. Board elections must be held during the
508.18 school year but may not be conducted on days when the school is closed ~~for holidays,~~
508.19 ~~breaks, or vacations.~~

508.20 Subd. 3. **Membership criteria.** (a) The ongoing charter school board of directors
508.21 shall ~~be composed of~~ have at least five nonrelated members and include: (1) at least
508.22 one licensed teacher who is employed as a teacher at the school or ~~providing~~ provides
508.23 instruction under contract between the charter school and a cooperative; (2) at least one
508.24 parent or legal guardian of a student enrolled in the charter school who is not an employee
508.25 of the charter school; and (3) at least one interested community member who resides in
508.26 Minnesota ~~and~~ ₂ is not employed by the charter school₂ and does not have a child enrolled
508.27 in the school. The board structure may include a majority of teachers ~~described in~~ under
508.28 this paragraph or parents or community members, or it may have no clear majority. The
508.29 chief financial officer and the chief administrator may only serve as ex-officio nonvoting
508.30 board members. No charter school employees shall serve on the board other than teachers
508.31 under clause (1). Contractors providing facilities, goods, or services to a charter school
508.32 shall not serve on the board of directors of the charter school.

508.33 (b) An individual is prohibited from serving as a member of the charter school board
508.34 of directors if: (1) the individual, an immediate family member, or the individual's partner
508.35 is a full or part owner or principal with a for-profit or nonprofit entity or independent

509.1 contractor with whom the charter school contracts, directly or indirectly, for professional
509.2 services, goods, or facilities. ~~An individual is prohibited from serving as a board member~~
509.3 ~~if;~~ (2) an immediate family member is an employee of the school. An individual may
509.4 serve as a member of the board of directors if no conflict of interest exists under this
509.5 paragraph, consistent with this section.

509.6 (c) A violation of ~~this prohibition~~ paragraph (b) renders a contract voidable at the
509.7 option of the commissioner or the charter school board of directors. A member of a charter
509.8 school board of directors who violates ~~this prohibition~~ paragraph (b) is individually liable
509.9 to the charter school for any damage caused by the violation.

509.10 (e) (d) Any employee, agent, or board member of the authorizer who participates
509.11 ~~in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or~~
509.12 ~~nonrenewal process or decision~~ initially reviewing, approving, overseeing, evaluating,
509.13 renewing, or not renewing the charter school is ineligible to serve on the board of directors
509.14 of a school chartered by that authorizer.

509.15 ~~(d) An individual may serve as a member of the board of directors if no conflict of~~
509.16 ~~interest under paragraph (b) exists.~~

509.17 Subd. 4. **Structure of Board structure.** Board bylaws shall outline the process and
509.18 procedures for changing the board's governance structure, consistent with chapter 317A.
509.19 A board may change its governance structure only:

509.20 (1) by a majority vote of the board of directors and a majority vote of the licensed
509.21 teachers employed by the school as teachers, including licensed teachers providing
509.22 instruction under a contract between the school and a cooperative; and

509.23 (2) with the authorizer's approval.

509.24 Any change in board governance structure must conform with the board composition
509.25 ~~of the board~~ established under this subdivision section.

509.26 Subd. 5. **Eligible voters.** Staff members employed at the school, including teachers
509.27 providing instruction under a contract with a cooperative, members of the board of
509.28 directors, and all parents or legal guardians of children enrolled in the school are the voters
509.29 eligible to elect the members of the school's board of directors. A charter school must
509.30 notify eligible voters of the school board election dates at least 30 days before the election.

509.31 Subd. 6. **Duties.** The board of directors also shall decide and ~~be~~ is responsible
509.32 for policy matters related to ~~the operation of~~ operating the school, including budgeting,
509.33 curriculum programming, personnel, and operating procedures. The board shall adopt a
509.34 ~~policy on nepotism in employment~~ policy. The board shall adopt personnel evaluation
509.35 policies and practices that, at a minimum:

509.36 (1) carry out the school's mission and goals;

510.1 (2) evaluate ~~the execution of~~ how charter contract goals and commitments are
510.2 executed;

510.3 (3) evaluate student achievement, postsecondary and workforce readiness, and
510.4 student engagement and connection goals;

510.5 (4) establish a teacher evaluation process under section 124E.03, subdivision 2,
510.6 paragraph (h); and

510.7 (5) provide professional development related to the individual's job responsibilities.

510.8 Subd. 7. **Training.** Every charter school board member shall attend annual training
510.9 throughout the member's term ~~on the board~~. All new board members shall attend initial
510.10 training on the board's role and responsibilities, employment policies and practices, and
510.11 financial management. A new board member who does not begin the required initial
510.12 training within six months after being seated and complete that training within 12 months
510.13 ~~of after~~ being seated ~~on the board~~ is automatically ineligible to continue to serve as a board
510.14 member. The school shall include in its annual report the training each board member
510.15 ~~attended by each board member~~ during the previous year.

510.16 Subd. 8. **Meetings and information.** (a) Board of director meetings must comply
510.17 with chapter 13D governing open meetings.

510.18 (b) A charter school shall publish and maintain on the school's official Web site: (1)
510.19 the meeting minutes of meetings of the board of directors; and of members and committees
510.20 having ~~any~~ board-delegated authority, for at least ~~one calendar year~~ 365 days from the
510.21 date of publication; (2) directory information for ~~members of~~ the board of directors and
510.22 for the members of committees having board-delegated authority; and (3) identifying and
510.23 contact information for the school's authorizer.

510.24 (c) A charter school must include identifying and contact information for the school's
510.25 authorizer ~~must be included~~ in other school materials ~~made~~ it makes available to the public.

510.26 Sec. 7. Minnesota Statutes 2015 Supplement, section 124E.08, is amended to read:

510.27 **124E.08 ~~COLLABORATION BETWEEN CHARTER SCHOOL AND~~**
510.28 **SCHOOL DISTRICT COLLABORATION.**

510.29 (a) A charter school board may voluntarily enter into a two-year, renewable
510.30 collaboration agreement for collaboration with a school district in which the charter school
510.31 is geographically located to enhance student the achievement with a school district within
510.32 whose geographic boundary it operates of the students in the district and the students in
510.33 the charter school.

510.34 (b) A school district ~~need~~ does not need to be either an approved authorizer or the
510.35 authorizer of the charter school to enter into a collaboration agreement ~~with a charter~~

511.1 ~~school under this section. A charter school need not be authorized by the school district~~
511.2 ~~with which it seeks to collaborate.~~

511.3 (e) A charter school authorizer is prohibited from requiring a collaboration
511.4 agreement as a condition of entering into or renewing a charter contract as defined in
511.5 section 124E.10, subdivision 1.

511.6 ~~(d) Nothing in this section or in the collaboration agreement may impact in any way~~
511.7 ~~the authority or autonomy of the charter school.~~

511.8 ~~(e) Nothing in this section or in the collaboration agreement shall cause the state to~~
511.9 ~~pay twice for the same student, service, or facility or otherwise impact state funding, or~~
511.10 ~~the flow thereof, to the school district or the charter school.~~

511.11 ~~(f) (b)~~ The collaboration agreement may include, but need is not be limited
511.12 to, collaboration regarding facilities, transportation, training, student achievement,
511.13 assessments, mutual performance standards, and other areas of mutual agreement.

511.14 ~~(g) (c)~~ For purposes of student assessment and reporting to the state under section
511.15 120B.36, the school district may include the academic performance of the students of a
511.16 collaborative charter school site ~~operating within the geographic boundaries of the school~~
511.17 ~~district, for purposes of student assessment and reporting to the state under paragraph (a).~~

511.18 ~~(h)~~ Districts, authorizers, or charter schools entering into a collaborative agreement
511.19 are equally and collectively subject to the same state and federal accountability measures
511.20 for student achievement, school performance outcomes, and school improvement
511.21 strategies. The collaborative agreement and all accountability measures must be posted
511.22 on the district, charter school, and authorizer Web sites.

511.23 ~~(d) Nothing in this section or in the collaboration agreement may impact in any way~~
511.24 ~~the authority or autonomy of the charter school.~~

511.25 ~~(e) Nothing in this section or in the collaboration agreement shall cause the state to~~
511.26 ~~pay twice for the same student, service, or facility or otherwise impact state funding or~~
511.27 ~~payment to the school district or the charter school.~~

511.28 Sec. 8. Minnesota Statutes 2015 Supplement, section 124E.10, is amended to read:

511.29 **124E.10 CHARTER CONTRACT.**

511.30 Subdivision 1. **Contents.** (a) ~~The authorization for~~ To authorize a charter school, the
511.31 authorizer and the charter school board of directors must be in the form of sign a written
511.32 contract ~~signed by the authorizer and the board of directors of the charter school. The~~
511.33 ~~contract must be completed~~ within 45 business days of the commissioner's approval of
511.34 the authorizer's affidavit. The authorizer shall submit ~~to the commissioner~~ a copy of the
511.35 signed charter contract to the commissioner within ten business days of its execution after

512.1 the contract is signed by the contracting parties. ~~The contract for a charter school must~~
512.2 ~~be in writing and contain~~ include at least the following:

512.3 (1) a declaration that the charter school will carry out the primary purpose in section
512.4 124E.01, subdivision 1, and indicate how the school will report its implementation of the
512.5 primary purpose to its authorizer;

512.6 (2) a declaration of the additional purpose or purposes in section 124E.01,
512.7 subdivision 1, that the school intends to carry out and indicate how the school will report
512.8 its implementation of those purposes to its authorizer;

512.9 (3) a description of the school program and the specific academic and nonacademic
512.10 outcomes that pupils must achieve;

512.11 (4) a statement of admission policies and procedures;

512.12 (5) a school governance, management, and administration plan ~~for the school~~;

512.13 (6) signed agreements from charter school board members to comply with all the
512.14 federal and state laws governing organizational, programmatic, and financial requirements
512.15 applicable to charter schools;

512.16 (7) the criteria, processes, and procedures ~~that~~ the authorizer will use to monitor and
512.17 evaluate the fiscal, operational, and academic performance, consistent with subdivision
512.18 3, paragraphs (a) and (b);

512.19 (8) for contract renewal, the formal written performance evaluation ~~of the school~~
512.20 that is a prerequisite for reviewing a charter contract under subdivision 3;

512.21 (9) types and amounts of insurance liability coverage ~~to be obtained by~~ the charter
512.22 school must obtain, consistent with section 124E.03, subdivision 2, paragraph (d);

512.23 (10) consistent with section 124E.09, paragraph (d), a provision to indemnify and
512.24 hold harmless ~~the authorizer and its officers, agents, and employees~~ from any suit, claim,
512.25 or liability arising from any charter school operation ~~of the charter school~~;

512.26 (i) the authorizer and its officers, agents, and employees; and
512.27 (ii) notwithstanding section 3.736, the commissioner and department officers,
512.28 agents, and employees ~~notwithstanding section 3.736~~;

512.29 (11) the term of the ~~initial~~ contract, which, for an initial contract, may be up to five
512.30 years plus an additional preoperational planning year, ~~and up to five years~~ or for a renewed
512.31 contract or a contract with a new authorizer after a transfer of authorizers, may be up to
512.32 five years, if warranted by the school's academic, financial, and operational performance;

512.33 (12) how the charter school board of directors or the charter school operators ~~of the~~
512.34 ~~charter school~~ will provide special instruction and services for children with a disability
512.35 under sections 125A.03 to 125A.24, and 125A.65, and a description of the financial

513.1 parameters within which the charter school will ~~operate to~~ provide the special instruction
513.2 and services to children with a disability;

513.3 (13) the specific conditions for contract renewal that identify the performance of
513.4 all students under the primary purpose of section 124E.01, subdivision 1, as the most
513.5 important factor in determining whether to renew the contract renewal; and

513.6 (14) the additional purposes under section 124E.01, subdivision 1, and related
513.7 performance obligations under clause (7) contained in the charter contract as additional
513.8 factors in determining whether to renew the contract renewal; and.

513.9 ~~(15)~~ (b) In addition to the requirements of paragraph (a), the charter contract must
513.10 contain the plan for an orderly closing of the school under chapter 317A, that establishes
513.11 the responsibilities of the school board of directors and the authorizer, whether the closure
513.12 is a termination for cause, a voluntary termination, or a nonrenewal of the contract, that
513.13 includes establishing the responsibilities of the school board of directors and the authorizer
513.14 and notifying. The plan must establish who is responsible for:

513.15 (1) notifying the commissioner, authorizer, school district in which the charter
513.16 school is located, and parents of enrolled students about the closure;

513.17 (2) providing parents of enrolled students information and assistance sufficient to
513.18 enable the student to re-enroll in another school; the;

513.19 (3) transfer of transferring student records under section 124E.03, subdivision 5,
513.20 paragraph (b), to the student's resident school district; and

513.21 (4) procedures for closing financial operations.

513.22 ~~(b)~~ (c) A charter school must design its programs to at least meet the outcomes
513.23 adopted by the commissioner for public school students. In the absence of the
513.24 commissioner's requirements governing state standards and benchmarks, the school must
513.25 meet the outcomes contained in the contract with the authorizer. The achievement levels
513.26 of the outcomes contained in the contract may exceed the achievement levels of any
513.27 outcomes adopted by the commissioner for public school students.

513.28 Subd. 2. **Limitations Limits on charter contract school agreements.** (a) A
513.29 school must disclose to the commissioner any potential contract, lease, or purchase of
513.30 service from an authorizer ~~must be disclosed to the commissioner.~~ The contract, lease, or
513.31 purchase must be accepted through an open bidding process; and be a separate ~~contract~~
513.32 from the charter contract. The school must document the open bidding process. An
513.33 authorizer must not enter into a contract to provide management and financial services ~~for~~
513.34 to a school that it authorizes, unless the school documents ~~that it received~~ receiving at
513.35 least two competitive bids.

514.1 (b) ~~The~~ An authorizer must not condition granting or renewal of renewing a charter
514.2 ~~school by an authorizer must not be contingent on:~~

514.3 (1) the charter school being required to contract, lease, or purchase services from
514.4 the authorizer; or

514.5 (e) ~~The granting or renewal of a charter by an authorizer must not be conditioned~~
514.6 ~~upon~~ (2) the bargaining unit status of the school employees ~~of the school~~.

514.7 Subd. 3. **Review and comment.** (a) The authorizer shall provide a formal written
514.8 evaluation of the school's performance before the authorizer renews the charter contract.
514.9 The ~~department~~ commissioner must review and comment on the authorizer's evaluation
514.10 process at the time the authorizer submits its application for approval and each time the
514.11 authorizer undergoes its five-year review under section 124E.05, subdivision 5.

514.12 (b) An authorizer shall monitor and evaluate the academic, financial, operational,
514.13 and student performance of the school, and may ~~for this purpose annually~~ assess a charter
514.14 school a fee according to paragraph (c). The agreed-upon fee structure must be stated in
514.15 the charter school contract.

514.16 (c) The fee that an authorizer may annually assess is the greater of:

514.17 (1) the basic formula allowance for that year; or

514.18 (2) the lesser of:

514.19 (i) the maximum fee factor times the basic formula allowance for that year; or

514.20 (ii) the fee factor times the basic formula allowance for that year times the charter
514.21 school's adjusted pupil units for that year. The fee factor equals .015. The maximum
514.22 fee factor equals 4.0.

514.23 (d) An authorizer may not assess a fee for any required services other than as
514.24 provided in this subdivision.

514.25 (e) For the preoperational planning period, after a school is chartered, the authorizer
514.26 may assess a charter school a fee equal to the basic formula allowance.

514.27 Subd. 4. **Causes for nonrenewal or termination of charter school contract.** (a)

514.28 The duration of the contract with an authorizer must be for the term contained in the
514.29 contract according to subdivision 1, paragraph (a). The authorizer may or may not renew a
514.30 contract at the end of the term for any ground listed in paragraph (b). An authorizer may
514.31 unilaterally terminate a contract during the term of the contract for any ground listed in
514.32 paragraph (b). At least 60 business days before not renewing or terminating a contract,
514.33 the authorizer shall notify the board of directors of the charter school of the proposed
514.34 action in writing. The notice shall state the grounds for the proposed action in reasonable
514.35 detail and ~~that~~ describe the informal hearing process, consistent with this paragraph. The
514.36 charter school's board of directors may request in writing an informal hearing before the

515.1 authorizer within 15 business days ~~of~~ after receiving notice of nonrenewal or termination
515.2 of the contract. Failure by the board of directors to make a written request for an informal
515.3 hearing within the 15-business-day period shall be treated as acquiescence to the proposed
515.4 action. Upon receiving a timely written request for a hearing, the authorizer shall give ten
515.5 business days' notice to the charter school's board of directors of the hearing date. The
515.6 authorizer shall conduct an informal hearing before taking final action. The authorizer
515.7 shall take final action to renew or not renew a contract no later than 20 business days
515.8 before the proposed date for terminating the contract or the end date of the contract.

515.9 (b) An authorizer may terminate or not renew a contract ~~may be terminated or not~~
515.10 ~~renewed~~ upon any of the following grounds:

- 515.11 (1) failure to demonstrate satisfactory academic achievement for all students,
515.12 including the requirements for pupil performance contained in the contract;
515.13 (2) failure to meet generally accepted standards of fiscal management;
515.14 (3) violations of law; or
515.15 (4) other good cause shown.

515.16 If the authorizer terminates or does not renew a contract ~~is terminated or not~~
515.17 ~~renewed~~ under this paragraph, the school must be dissolved according to the applicable
515.18 provisions of chapter 317A.

515.19 (c) The commissioner, after providing reasonable notice to the board of directors of
515.20 a charter school and the existing authorizer, and after providing an opportunity for a public
515.21 hearing, may terminate the existing contract between the authorizer and the charter school
515.22 board if the charter school has a history of:

- 515.23 (1) failure to meet pupil performance requirements₂ consistent with state law;
515.24 (2) financial mismanagement or failure to meet generally accepted standards of
515.25 fiscal management; or
515.26 (3) repeated or major violations of the law.

515.27 Subd. 5. **Mutual nonrenewal.** If the authorizer and the charter school board of
515.28 directors mutually agree not to renew the contract, a change in authorizers is allowed. The
515.29 authorizer and the school board must jointly submit a written and signed letter of their
515.30 intent to the commissioner to mutually not renew the contract. The authorizer that is a party
515.31 to the existing contract must inform the proposed authorizer about the fiscal, operational,
515.32 and student performance status of the school, as well as any outstanding contractual
515.33 obligations ~~that exist~~. The charter contract between the proposed authorizer and the school
515.34 must identify and provide a plan to address any outstanding obligations from the previous
515.35 contract. The proposed authorizer must submit the proposed contract ~~must be submitted~~ at
515.36 least 105 business days before the end of the existing charter contract. The commissioner

516.1 ~~shall have~~ has 30 business days to review and make a determination on the change in
 516.2 authorizer. The proposed authorizer and the school ~~shall~~ have 15 business days to respond
 516.3 to the determination and address any issues identified by the commissioner. ~~A final~~
 516.4 ~~determination by~~ The commissioner ~~shall be made~~ must make a final determination no later
 516.5 than 45 business days before the end of the current charter contract. If ~~no~~ the commissioner
 516.6 does not approve a change in authorizer is approved, the school and the current authorizer
 516.7 may withdraw their letter of nonrenewal and enter into a new contract. If the ~~transfer of~~
 516.8 ~~authorizers is not approved~~ commissioner does not approve a change in authorizer and the
 516.9 current authorizer and the school do not withdraw their letter and enter into a new contract,
 516.10 the school must be dissolved according to applicable law and the terms of the contract.

516.11 Subd. 6. **Pupil enrollment upon nonrenewal or termination of charter school**
 516.12 **contract.** (a) If a contract is not renewed or is terminated according to subdivision 4 or
 516.13 5, a pupil who attended the school, siblings of the pupil, or another pupil who resides
 516.14 ~~in the same place as~~ with the pupil may enroll in the resident district or may submit
 516.15 an application to a nonresident district according to section 124D.03 governing open
 516.16 enrollment at any time. Applications and notices required by section 124D.03 must be
 516.17 processed and provided in a prompt manner. The application and notice deadlines in
 516.18 section 124D.03 do not apply under these circumstances.

516.19 (b) Within ten business days of closing the charter school, the closed ~~charter~~ school
 516.20 must transfer the student's educational records ~~within ten business days of closure~~ to the
 516.21 student's school district of residence where the records must be retained or transferred
 516.22 under section 120A.22, subdivision 7.

516.23 Sec. 9. Minnesota Statutes 2015 Supplement, section 124E.12, is amended to read:

516.24 **124E.12 EMPLOYMENT.**

516.25 Subdivision 1. **Teachers.** A charter school must employ or contract with necessary
 516.26 teachers, as defined by section 122A.15, subdivision 1, who hold valid licenses to perform
 516.27 the particular service for which they are employed in the school. The commissioner may
 516.28 reduce the charter school's state aid may be reduced under section 127A.43 if the school
 516.29 employs a teacher who is not appropriately licensed or approved by the board of teaching.
 516.30 The school may employ necessary employees who are not required to hold teaching
 516.31 licenses to perform duties other than teaching and may contract for other services. The
 516.32 school may discharge teachers and nonlicensed employees. The charter school board is
 516.33 subject to section 181.932 governing whistle-blowers. When offering employment to a
 516.34 prospective employee, a charter school must give that employee a written description of
 516.35 the terms and conditions of employment and the school's personnel policies.

517.1 Subd. 2. **Administrators.** (a) A person, without holding a valid administrator's
 517.2 license, may perform administrative, supervisory, or instructional leadership duties.
 517.3 The board of directors shall establish qualifications for all persons that who hold
 517.4 administrative, supervisory, or instructional leadership roles. The qualifications shall
 517.5 ~~include~~ cover at least ~~the following areas~~: instruction and assessment; human resource
 517.6 and personnel management; financial management; legal and compliance management;
 517.7 effective communication; and board, authorizer, and community relationships. The board
 517.8 of directors shall use those qualifications as the basis for job descriptions, hiring, and
 517.9 performance evaluations of those who hold administrative, supervisory, or instructional
 517.10 leadership roles.

517.11 (b) The board of directors and an individual who does not hold a valid administrative
 517.12 license and who serves in an administrative, supervisory, or instructional leadership
 517.13 position shall develop a professional development plan. ~~Documentation of the~~
 517.14 ~~implementation of~~ The school's annual report must include public personnel information
 517.15 documenting the professional development plan of these persons shall be included in
 517.16 ~~the school's annual report.~~

517.17 Subd. 3. **Collective bargaining.** Employees of the board of directors of a charter
 517.18 school may, if otherwise eligible, organize under chapter 179A and comply with its
 517.19 provisions. The board of directors of a charter school is a public employer, for the
 517.20 purposes of chapter 179A, ~~upon formation of~~ when forming one or more bargaining units
 517.21 at the school. Bargaining units at the school must be separate from any other units within
 517.22 an authorizing district, except that bargaining units may remain part of the appropriate
 517.23 unit within an authorizing district; if the employees of the school, the board of directors of
 517.24 the school, the exclusive representative of the appropriate unit in the authorizing district,
 517.25 and the board of the authorizing district agree to include the employees in the appropriate
 517.26 unit of the authorizing district. The board of directors of a charter school with employees
 517.27 organized under this subdivision must comply with sections 471.6161 governing group
 517.28 insurance and 471.895 governing gifts.

517.29 Subd. 4. **Teacher and other employee retirement.** (a) Teachers in a charter school
 517.30 must be public school teachers for the purposes of chapters 354 and 354A governing the
 517.31 Teacher Retirement Act.

517.32 (b) Except for teachers under paragraph (a), employees in a charter school must
 517.33 be public employees for the purposes of chapter 353 governing the Public Employees
 517.34 Retirement Act.

517.35 Subd. 5. **Group health insurance.** (a) A charter school board with at least 25
 517.36 employees or a teacher cooperative of licensed teachers providing instruction under

518.1 a contract between a school and a cooperative that provides group health insurance
518.2 coverage shall:

518.3 (1) request proposals for group health insurance coverage from a minimum of three
518.4 sources at least every two years; and

518.5 (2) notify employees covered by the group health insurance coverage before the
518.6 effective date of the changes in the group coverage policy contract.

518.7 (b) A charter school board or a cooperative of teachers that provides group health
518.8 insurance coverage must establish and publish on its Web site the policy for ~~the purchase~~
518.9 ~~of purchasing~~ group health insurance coverage. A charter school board policy must
518.10 include a sealed proposal process, which requires all proposals to be opened at the same
518.11 time. Upon ~~the openings of~~ opening the proposals ~~in accordance with~~ according to the
518.12 school or cooperative policy, the proposals become public data under chapter 13.

518.13 Nothing in this subdivision supersedes the right of an exclusive representative to negotiate
518.14 ~~over~~ the terms and conditions of employment.

518.15 Subd. 6. **Leave to teach in a charter school.** If a teacher employed by a district
518.16 makes a written request for an extended leave of absence to teach at a charter school, the
518.17 district must grant the leave. The district must grant a leave not to exceed a total of five
518.18 years. Any request to extend the leave shall be granted only at the discretion of the school
518.19 board. The district may require ~~that~~ a teacher to make the request for a leave or extension
518.20 of leave ~~be made~~ before February 1 in the school year preceding the school year in which
518.21 the teacher intends to leave, or February 1 of the calendar year in which the teacher's leave
518.22 is scheduled to terminate. Except as otherwise provided in this subdivision and ~~except~~
518.23 ~~for~~ section 122A.46, subdivision 7, governing employment in another district, the leave
518.24 is governed by section 122A.46, including, but not limited to, reinstatement, notice of
518.25 intention to return, seniority, salary, and insurance.

518.26 During a leave, the teacher may continue to aggregate benefits and credits in the
518.27 Teachers' Retirement Association account under chapters 354 and 354A, consistent with
518.28 subdivision 4.

518.29 Sec. 10. Minnesota Statutes 2015 Supplement, section 124E.13, is amended to read:

518.30 **124E.13 FACILITIES.**

518.31 Subdivision 1. **Leased space.** A charter school may lease space from: an
518.32 independent or special school board; other public organization; private, nonprofit,
518.33 nonsectarian organization; private property owner; or a sectarian organization if the
518.34 leased space is constructed as a school facility. The ~~department~~ commissioner must

519.1 review and approve or disapprove leases in a timely manner ~~for purposes of determining~~
519.2 to determine eligibility for lease aid under section 124E.22.

519.3 Subd. 2. **Related party lease costs.** (a) A charter school is ~~prohibited from entering~~
519.4 must not enter into a lease of real property with a related party unless the lessor is a
519.5 nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the
519.6 lease cost is reasonable under section 124E.22, paragraph (a), clause (1).

519.7 (b) A lease of real property to be used for a charter school, ~~not excluded in related~~
519.8 party permitted to enter into a lease under paragraph (a); must contain include the
519.9 following statement in the lease: "This lease is subject to Minnesota Statutes, section
519.10 124E.13, subdivision 2."

519.11 (c) If a charter school ~~enters into as lessee a lease with~~ leases space from a related
519.12 party and the charter school subsequently closes, the commissioner has the right to recover
519.13 from the ~~lessor~~ related party any lease payments in excess of those that are reasonable
519.14 under section 124E.22, paragraph (a), clause (1).

519.15 Subd. 3. **Affiliated nonprofit building corporation.** (a) An affiliated nonprofit
519.16 building corporation may purchase, expand, or renovate an existing facility to serve as a
519.17 school or may construct a new school facility. A charter school may organize an affiliated
519.18 nonprofit building corporation ~~(1) to purchase, expand, or renovate an existing facility to~~
519.19 ~~serve as a school or (2) to construct a new school facility~~ if the charter school:

519.20 (i) ~~(1) has been in operation~~ operated for at least six consecutive years;

519.21 (ii) ~~(2)~~ as of June 30₂ has a net positive unreserved general fund balance in the
519.22 preceding three fiscal years;

519.23 (iii) ~~(3)~~ has long-range strategic and financial plans that include enrollment
519.24 projections for at least five years;

519.25 (iv) ~~(4)~~ completes a feasibility study of facility options that outlines the benefits
519.26 and costs of ~~the options~~ each option; and

519.27 (v) ~~(5)~~ has a plan for ~~purchase, renovation, or new construction which~~ that describes
519.28 project parameters and budget.

519.29 (b) An affiliated nonprofit building corporation under this subdivision must:

519.30 (1) be incorporated under section 317A;

519.31 (2) comply with applicable Internal Revenue Service regulations, including
519.32 regulations for "supporting organizations" as defined by the Internal Revenue Service;

519.33 (3) post on the school Web site the name, mailing address, bylaws, minutes of board
519.34 meetings, and the names of the current board of directors of the affiliated nonprofit
519.35 building corporation;

520.1 (4) submit to the commissioner a copy of its annual audit by December 31 of each
520.2 year; and

520.3 (5) comply with government data practices law under chapter 13.

520.4 (c) An affiliated nonprofit building corporation must not serve as the leasing agent
520.5 for property or facilities it does not own. A charter school that leases a facility from an
520.6 affiliated nonprofit building corporation that does not own the leased facility is ineligible
520.7 to receive charter school lease aid. The state is immune from liability resulting from a
520.8 contract between a charter school and an affiliated nonprofit building corporation.

520.9 (d) ~~Once an affiliated nonprofit building corporation is incorporated under this~~
520.10 ~~subdivision,~~ The board of directors of the charter school must ensure the affiliated
520.11 nonprofit building corporation complies with all applicable legal requirements. The charter
520.12 school's authorizer of the school must oversee the efforts of the school's board of directors
520.13 of the charter school to ensure the affiliated nonprofit building corporation complies
520.14 with all legal requirements governing the affiliated nonprofit building corporation legal
520.15 compliance of the affiliated building corporation. A school's board of directors that
520.16 fails to ensure the affiliated nonprofit building corporation's compliance violates its
520.17 responsibilities and an authorizer must ~~factor the~~ consider that failure ~~into the authorizer's~~
520.18 ~~evaluation of~~ when evaluating the charter school.

520.19 Subd. 4. **Positive review and comment.** If the amount of a purchase agreement or
520.20 construction contract exceeds the review and comment threshold, a charter school or its
520.21 affiliated nonprofit building corporation must receive a positive review and comment from
520.22 the commissioner before initiating any purchase agreement or construction contract ~~that~~
520.23 ~~requires an expenditure in excess of the threshold specified in section 123B.71, subdivision~~
520.24 ~~8, for school districts that do not have a capital loan outstanding.~~ Without a positive
520.25 review and comment from the commissioner, a purchase agreement or construction
520.26 contract ~~finalized before a positive review and comment under this subdivision~~ is null and
520.27 void. For purposes of this subdivision, "review and comment threshold" means the dollar
520.28 amount specified in section 123B.71, subdivision 8, applicable to a school entity that is
520.29 not a recipient of a maximum effort capital loan.

520.30 Sec. 11. Minnesota Statutes 2015 Supplement, section 124E.15, is amended to read:

520.31 **124E.15 TRANSPORTATION.**

520.32 (a) A charter school must comply with all pupil transportation requirements in
520.33 section 123B.88, subdivision 1. A charter school must not require parents to surrender
520.34 their rights to pupil transportation under section 123B.88, subdivision 2.

521.1 ~~(b) A charter school after its first fiscal year of operation by March 1 of each fiscal~~
521.2 ~~year and A charter school by July 1 of its first fiscal year of operation must notify the~~
521.3 ~~district in which the school is located and the Department of Education commissioner by~~
521.4 ~~July 1 of its first fiscal year of operation if it will provide its own transportation or use the~~
521.5 ~~transportation services of the district in which it is located for the fiscal year. For each~~
521.6 ~~subsequent year of operation, a charter school must give that district and the commissioner~~
521.7 ~~notice by March 1 for the following fiscal year.~~

521.8 (c) If a charter school elects to provide transportation for pupils, the charter school
521.9 must provide the transportation ~~must be provided by the charter school~~ within the district
521.10 in which the charter school is located. The state must pay transportation aid to the charter
521.11 school according to section 124E.23.

521.12 (d) For pupils who reside outside the district in which the charter school is located,
521.13 the charter school is not required to provide or pay for transportation between the pupil's
521.14 residence and the border of the district in which the charter school is located. The charter
521.15 school may reimburse a parent ~~may be reimbursed by the charter school~~ for costs of
521.16 transportation from the pupil's residence to the border of the district in which the charter
521.17 school is located if the pupil is from a family whose income is at or below the poverty
521.18 level, as determined by the federal government. The reimbursement may not exceed
521.19 the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less.
521.20 Reimbursement may not be paid for more than 250 miles per week.

521.21 ~~At the time a pupil enrolls in a charter school, the charter school must provide the~~
521.22 ~~parent or guardian with information regarding the transportation.~~

521.23 ~~(d)~~ (e) If a charter school does not elect to provide transportation, the district in which
521.24 the school is located must provide transportation for pupils enrolled at the school ~~must~~
521.25 ~~be provided by the district in which the school is located~~, according to sections 123B.88,
521.26 subdivision 6, governing transporting nonresident pupils, and 124D.03, subdivision 8, for
521.27 a pupil residing in the same district in which the charter school is located. The district in
521.28 which the charter school is located may provide transportation ~~may be provided by the~~
521.29 ~~district in which the school is located~~, according to sections 123B.88, subdivision 6, and
521.30 124D.03, subdivision 8, governing open enrollment transportation, for a pupil residing
521.31 in a different district. If the district provides the transportation, the scheduling of routes,
521.32 manner and method of transportation, control and discipline of the pupils, and any other
521.33 matter relating to the transportation of pupils under this paragraph ~~shall be~~ is within the
521.34 sole discretion, control, and management of the district.

521.35 (f) The charter school must provide the parent or guardian with information about
521.36 transportation when a pupil enrolls.

522.1 Sec. 12. Minnesota Statutes 2015 Supplement, section 124E.16, is amended to read:

522.2 **124E.16 REPORTS.**

522.3 Subdivision 1. **Audit report.** (a) A charter school is subject to the same financial
 522.4 audits, audit procedures, and audit requirements as a district, except as required under
 522.5 this subdivision. Audits must be conducted in compliance with generally accepted
 522.6 governmental auditing standards, the federal Single Audit Act, if applicable, and section
 522.7 6.65 governing auditing procedures. A charter school is subject to and must comply
 522.8 with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06;
 522.9 governing government property and financial investments; and sections 471.38; 471.391;
 522.10 471.392; and 471.425 governing municipal contracting. The audit must comply with the
 522.11 requirements of sections 123B.75 to 123B.83 governing school district finance, except
 522.12 ~~to the extent deviations are necessary because of the program at the school when the~~
 522.13 ~~commissioner and authorizer approve a deviation made necessary because of school~~
 522.14 ~~program finances~~. ~~Deviations must be approved by the commissioner and authorizer.~~ The
 522.15 ~~Department of Education~~ commissioner, state auditor, legislative auditor, or authorizer
 522.16 may conduct financial, program, or compliance audits. A charter school ~~determined to be~~
 522.17 in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under
 522.18 section 123B.81, subdivision 4.

522.19 (b) The charter school must submit an audit report to the commissioner and its
 522.20 authorizer annually by December 31 ~~each year~~.

522.21 (c) The charter school, with the assistance of the auditor conducting the audit,
 522.22 must include with the report, as supplemental information; (1) a copy of management
 522.23 agreements with a charter management organization or an educational management
 522.24 organization and (2) service agreements or contracts over the lesser of \$100,000 or ten
 522.25 percent of the school's most recent annual audited expenditures. The agreements must
 522.26 detail the terms of the agreement, including the services provided and the annual costs for
 522.27 those services. If the entity that provides the professional services to the charter school is
 522.28 exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity
 522.29 must file with the commissioner by February 15 a copy of the annual return required under
 522.30 section 6033 of the Internal Revenue Code of 1986.

522.31 (d) A charter school independent audit report shall include audited financial data
 522.32 of an affiliated building corporation under section 124E.13, subdivision 3, or other
 522.33 component unit.

522.34 (e) If the audit report finds that a material weakness exists in the financial reporting
 522.35 systems of a charter school, the charter school must submit a written report to the
 522.36 commissioner explaining how the charter school will resolve that material weakness ~~will~~

523.1 ~~be resolved.~~ An auditor, as a condition of providing financial services to a charter school,
523.2 must agree to make available information about a charter school's financial audit to the
523.3 commissioner and authorizer upon request.

523.4 Subd. 2. **Annual public reports.** (a) A charter school must publish an annual report
523.5 approved by the board of directors. The annual report must at least include information
523.6 on school enrollment, student attrition, governance and management, staffing, finances,
523.7 academic performance, innovative practices and implementation, and future plans. A
523.8 charter school may combine this report with the reporting required under section 120B.11
523.9 governing the world's best workforce. A charter school must post the annual report on
523.10 the school's official Web site. A charter school also must ~~also~~ distribute the annual report
523.11 by publication, mail, or electronic means to its authorizer, school employees, and parents
523.12 and legal guardians of students enrolled in the charter school. The reports are public
523.13 data under chapter 13.

523.14 (b) The commissioner shall establish specifications for an authorizer's annual public
523.15 report that is part of the system to evaluate authorizer performance under section 124E.05,
523.16 subdivision 5. The report shall at least include key indicators of school academic,
523.17 operational, and financial performance.

523.18 Sec. 13. Minnesota Statutes 2015 Supplement, section 124E.17, is amended to read:

523.19 **124E.17 DISSEMINATION OF INFORMATION.**

523.20 Subdivision 1. **Charter school information.** (a) ~~Authorizers and the department~~
523.21 ~~must disseminate information to the public on how to form and operate a charter school.~~
523.22 Charter schools must disseminate information about how to use the charter school
523.23 ~~offerings of a charter school~~ to targeted groups, among others. Targeted groups include
523.24 low-income families and communities, students of color, and students who are at risk
523.25 of academic failure.

523.26 (b) Authorizers and the commissioner must disseminate information to the public
523.27 on how to form and operate a charter school. Authorizers, operators, and the ~~department~~
523.28 commissioner also may disseminate information to interested stakeholders about the
523.29 successful best practices in teaching and learning demonstrated by charter schools.

523.30 Subd. 2. **Financial information.** Upon request of an individual, the charter school
523.31 must ~~also~~ make available in a timely fashion financial statements showing all operations
523.32 and transactions affecting the school's income, surplus, and deficit during the ~~school's~~
523.33 last annual accounting period; and a balance sheet summarizing assets and liabilities
523.34 on the closing date of the accounting period. A charter school also must include that

524.1 same information about its authorizer in other school materials that it makes available
524.2 to the public.

524.3 Sec. 14. Minnesota Statutes 2015 Supplement, section 124E.22, is amended to read:

524.4 **124E.22 BUILDING LEASE AID.**

524.5 (a) When a charter school finds it economically advantageous to rent or lease a
524.6 building or land for any instructional ~~purposes~~ purpose and it determines that the total
524.7 operating capital revenue under section 126C.10, subdivision 13, is insufficient for this
524.8 purpose, it may apply to the commissioner for building lease aid ~~for this purpose~~. The
524.9 commissioner must review and either approve or deny a lease aid application using the
524.10 following criteria:

524.11 (1) the reasonableness of the price based on current market values;

524.12 (2) the extent to which the lease conforms to applicable state laws and rules; and

524.13 (3) the appropriateness of the proposed lease in the context of the space needs and
524.14 financial circumstances of the charter school. The commissioner must approve aid only
524.15 for a facility lease that has (i) a sum certain annual cost and (ii) a closure clause to relieve
524.16 the charter school of its lease obligations at the time the charter contract is terminated or
524.17 not renewed₂. The closure clause under item (ii) must not be constructed or construed to
524.18 relieve the charter school of its lease obligations in effect before the charter contract is
524.19 terminated or not renewed.

524.20 (b) A charter school must not use the building lease aid it receives for custodial,
524.21 maintenance service, utility, or other operating costs.

524.22 ~~(b)~~ (c) The amount of annual building lease aid for a charter school shall not exceed
524.23 the lesser of (1) 90 percent of the approved cost or (2) the product of the pupil units served
524.24 for the current school year times \$1,314.

524.25 Sec. 15. Minnesota Statutes 2015 Supplement, section 124E.24, is amended to read:

524.26 **124E.24 OTHER AID, GRANTS, AND REVENUE.**

524.27 (a) A charter school is eligible to receive other aids, grants, and revenue according to
524.28 chapters 120A to 129C, as though it were a district.

524.29 (b) Notwithstanding paragraph (a), a charter school may not receive aid, a grant, or
524.30 revenue if a levy is required to obtain the money, or if the aid, grant, or revenue replaces levy
524.31 revenue that is not general education revenue, except as otherwise provided in this chapter.

524.32 (c) Federal aid received by the state must be paid to the school, if it qualifies for
524.33 the aid₂ as though it were a school district.

525.1 (d) A charter school may receive money from any source for capital facilities needs.
525.2 In the year-end report to the commissioner of education, the charter school shall report the
525.3 total amount of funds it received from grants and other outside sources.

525.4 Sec. 16. Minnesota Statutes 2015 Supplement, section 124E.25, is amended to read:

525.5 **124E.25 PAYMENT OF AIDS TO CHARTER SCHOOLS.**

525.6 Subdivision 1. **Payments.** ~~(a)~~ Notwithstanding section 127A.45, subdivision 3, if the
525.7 current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is
525.8 90 or greater, aid payments for the current fiscal year to a charter school shall be of an equal
525.9 amount on each of the 24 payment dates. Notwithstanding section 127A.45, subdivision
525.10 3, if the current year aid payment percentage under section 127A.45, subdivision 2,
525.11 paragraph (d), is less than 90, aid payments for the current fiscal year to a charter school
525.12 shall be of an equal amount on each of the 16 payment dates in July through February.

525.13 Subd. 1a. School closures; payments. ~~(b)~~ (a) Notwithstanding ~~paragraph (a)~~
525.14 subdivision 1 and section 127A.45, for a charter school ceasing operation on or ~~prior~~
525.15 to before June 30 of a school year, for the payment periods occurring after the school
525.16 ceases serving students, the commissioner shall withhold the estimated state aid owed
525.17 the school. The charter school board of directors and authorizer must submit to the
525.18 commissioner a closure plan under chapter 308A or 317A, and financial information about
525.19 the school's liabilities and assets. After receiving the closure plan, financial information,
525.20 an audit of pupil counts, ~~documentation of~~ and documented lease expenditures; from
525.21 the charter school and monitoring of special education expenditures, the commissioner
525.22 may release cash withheld and may continue regular payments up to the current year
525.23 payment percentages if further amounts are owed. If, based on audits and monitoring,
525.24 the school received state aid in excess of the amount owed, the commissioner shall retain
525.25 aid withheld sufficient to eliminate the aid overpayment.

525.26 (b) For a charter school ceasing operations ~~prior to,~~ before or at the end of; a
525.27 school year, notwithstanding section 127A.45, subdivision 3, the commissioner may
525.28 make preliminary final payments ~~may be made~~ after receiving the school submits the
525.29 closure plan, an audit of pupil counts, ~~monitoring of special education expenditures,~~
525.30 ~~documentation of~~ documented lease expenditures, and ~~school submission of~~ Uniform
525.31 Financial Accounting and Reporting Standards (UFARS) financial data and the
525.32 commissioner monitors special education expenditures for the final year of operation. The
525.33 commissioner may make the final payment ~~may be made upon receipt of~~ after receiving
525.34 audited financial statements under section 123B.77, subdivision 3.

526.1 (c) Notwithstanding sections 317A.701 to 317A.791, ~~upon closure of~~ after closing
526.2 a charter school and ~~satisfaction of~~ satisfying creditors, remaining cash and investment
526.3 balances ~~remaining~~ shall be returned by the commissioner to the state general fund.

526.4 Subd. 2. **Requirements.** (a) ~~In order~~ To receive state aid payments under this
526.5 section, a charter school in its first three years of operation must submit to the commissioner
526.6 a school calendar in the form and manner requested by the ~~department~~ commissioner and
526.7 a quarterly report ~~to the Department of Education~~. The quarterly report must list each
526.8 student by grade, show the student's start and end dates, if any applicable, ~~with the charter~~
526.9 ~~school~~, and, for any student participating in a learning year program, the report must list the
526.10 hours and times of learning year activities. The charter school must submit the report ~~must~~
526.11 ~~be submitted to the commissioner~~ not more than two weeks after the end of the calendar
526.12 quarter ~~to the department~~. The ~~department~~ commissioner must develop a Web-based
526.13 reporting form for charter schools to use when submitting quarterly enrollment reports.

526.14 (b) To receive state aid payments under this section, a charter school in its fourth and
526.15 subsequent year of operation must submit a school calendar and enrollment information
526.16 to the ~~department~~ commissioner in the form and manner requested by the ~~department~~
526.17 commissioner.

526.18 ~~(b)~~ (c) A charter school must have a valid, signed contract under section 124E.10,
526.19 subdivision 1, on file ~~at~~ with the ~~Department of Education~~ commissioner at least 15 days
526.20 ~~prior to~~ before the date of first payment of state aid for the fiscal year.

526.21 ~~(e)~~ (d) The commissioner shall compute state aid entitlements ~~shall be computed~~
526.22 for a charter school only for the portion of a school year for which it has a valid, signed
526.23 contract under section 124E.10, subdivision 1.

526.24 Subd. 3. **Aid reductions.** (a) The commissioner may reduce a charter school's
526.25 state aid under section 127A.42 or 127A.43 if the charter school board fails to correct a
526.26 violation under this chapter.

526.27 (b) The commissioner may reduce a charter school's state aid by an amount not
526.28 to exceed 60 percent of the charter school's basic revenue for the period of time ~~that a~~
526.29 ~~violation of law occurs~~ was violated.

526.30 Subd. 4. **Aid withholding.** (a) If a charter school fails to comply with the
526.31 commissioner's directive to return, for cause, federal or state funds administered by the
526.32 department, the commissioner may withhold an amount of state aid sufficient to satisfy
526.33 the directive.

526.34 (b) ~~If, within the timeline under section 471.425,~~ after receiving an undisputed
526.35 invoice for goods and services, a charter school fails to pay the state of Minnesota, a school
526.36 district, intermediate school district, or service cooperative ~~after receiving an undisputed~~

527.1 ~~invoice for goods and services~~ within the timeline under section 471.425, the commissioner
527.2 may withhold an amount of state aid sufficient to satisfy the claim and shall distribute the
527.3 withheld aid to the interested state agency, school district, intermediate school district, or
527.4 service cooperative. An interested state agency, school district, intermediate school district,
527.5 or education cooperative shall notify the commissioner when a charter school fails to pay
527.6 an undisputed invoice within 75 business days of when it received the original invoice.

527.7 Sec. 17. Minnesota Statutes 2015 Supplement, section 124E.26, is amended to read:

527.8 **124E.26 USE OF STATE MONEY.**

527.9 ~~Money received from the state may not be used~~ A charter school may not use state
527.10 money to purchase land or buildings. The charter school may own land and buildings if
527.11 obtained through nonstate sources.

527.12 Sec. 18. **SUPERSEDING ACTS.**

527.13 Any amendments or repeals enacted in the 2016 session of the legislature to sections
527.14 also amended or repealed in this article of this act supersede the amendments in this article
527.15 of this act regardless of order of enactment.

527.16 **ARTICLE 27**

527.17 **GENERAL EDUCATION**

527.18 Section 1. Minnesota Statutes 2015 Supplement, section 120A.41, is amended to read:

527.19 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

527.20 A school board's annual school calendar must include at least 425 hours of
527.21 instruction for a kindergarten student without a disability, 935 hours of instruction for a
527.22 student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7
527.23 through 12, not including summer school. The school calendar for all-day kindergarten
527.24 must include at least 850 hours of instruction for the school year. The school calendar for
527.25 a prekindergarten student under section 124D.151, if offered by the district, must include
527.26 at least 350 hours of instruction for the school year. A school board's annual calendar
527.27 must include at least 165 days of instruction for a student in grades 1 through 11 unless a
527.28 four-day week schedule has been approved by the commissioner under section 124D.126.

527.29 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
527.30 later.

527.31 Sec. 2. Minnesota Statutes 2014, section 123A.24, subdivision 2, is amended to read:

528.1 Subd. 2. **Cooperative unit defined.** For the purposes of this section, a cooperative
528.2 unit is:

528.3 (1) an education district organized under sections 123A.15 to 123A.19;

528.4 (2) a cooperative vocational center organized under section 123A.22;

528.5 (3) an intermediate district organized under chapter 136D;

528.6 (4) a service cooperative organized under section 123A.21; ~~or~~

528.7 (5) a regional management information center organized under section 123A.23 or
528.8 as a joint powers district according to section 471.59; or

528.9 (6) a special education cooperative organized under section 471.59.

528.10 Sec. 3. Minnesota Statutes 2014, section 124D.111, is amended by adding a
528.11 subdivision to read:

528.12 Subd. 2a. **Federal child and adult food program; criteria and notice.** The
528.13 commissioner must post on the department's Web site eligibility criteria and application
528.14 information for nonprofit organizations interested in applying to the commissioner for
528.15 approval as a multisite sponsoring organization under the federal child and adult care
528.16 food program. The posted criteria and information must inform interested nonprofit
528.17 organizations about:

528.18 (1) the criteria the commissioner uses to approve or disapprove an application,
528.19 including how an applicant demonstrates financial viability for the Minnesota program,
528.20 among other criteria;

528.21 (2) the commissioner's process and time line for notifying an applicant when
528.22 its application is approved or disapproved and, if the application is disapproved, the
528.23 explanation the commissioner provides to the applicant; and

528.24 (3) any appeal or other recourse available to a disapproved applicant.

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

528.26 Sec. 4. Minnesota Statutes 2014, section 124D.1158, subdivision 3, is amended to read:

528.27 Subd. 3. **Program reimbursement.** Each school year, the state must reimburse
528.28 each participating school 30 cents for each reduced-price breakfast, 55 cents for each fully
528.29 paid breakfast served to students in grades 1 to 12, and \$1.30 for each fully paid breakfast
528.30 served to a prekindergarten student enrolled in an approved voluntary prekindergarten
528.31 program under section 124D.151 or a kindergarten student.

528.32 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
528.33 later.

529.1 Sec. 5. Minnesota Statutes 2014, section 124D.1158, subdivision 4, is amended to read:

529.2 Subd. 4. **No fees.** A school that receives school breakfast aid under this section
529.3 must make breakfast available without charge to all participating students in grades 1
529.4 to 12 who qualify for free or reduced-price meals and to all prekindergarten students
529.5 enrolled in an approved voluntary prekindergarten program under section 124D.151 and
529.6 all kindergarten students.

529.7 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
529.8 later.

529.9 Sec. 6. **[124D.151] VOLUNTARY PREKINDERGARTEN PROGRAM.**

529.10 Subdivision 1. **Establishment; purpose.** A district, a charter school, a group of
529.11 districts, a group of charter schools, or a group of districts and charter schools may
529.12 establish a voluntary prekindergarten program. The purpose of a voluntary prekindergarten
529.13 program is to prepare children for success as they enter kindergarten in the following year.

529.14 Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program
529.15 provider must:

529.16 (1) provide instruction through play-based learning to foster children's social and
529.17 emotional development, cognitive development, physical and motor development, and
529.18 language and literacy skills, including the native language and literacy skills of English
529.19 learners, to the extent practicable;

529.20 (2) measure each child's cognitive and social skills using a formative measure
529.21 aligned to the state's early learning standards when the child enters and again before the
529.22 child leaves the program, screening and progress monitoring measures, and others from
529.23 the state-approved menu of kindergarten entry profile measures;

529.24 (3) provide comprehensive program content including the implementation of
529.25 curriculum, assessment, and instructional strategies aligned with the state early learning
529.26 standards, and kindergarten through grade 3 academic standards;

529.27 (4) provide instructional content and activities that are of sufficient length and
529.28 intensity to address learning needs including offering a program with at least 350 hours of
529.29 instruction per school year for a prekindergarten student;

529.30 (5) provide voluntary prekindergarten instructional staff salaries comparable to the
529.31 salaries of local kindergarten through grade 12 instructional staff;

529.32 (6) coordinate appropriate kindergarten transition with families, community-based
529.33 prekindergarten programs, and school district kindergarten programs;

529.34 (7) involve parents in program planning and transition planning by implementing
529.35 parent engagement strategies that include culturally and linguistically responsive activities

530.1 in prekindergarten through third grade that are aligned with early childhood family
530.2 education under section 124D.13;

530.3 (8) coordinate with relevant community-based services, including health and social
530.4 service agencies, to ensure children have access to comprehensive services;

530.5 (9) coordinate with all relevant school district programs and services including early
530.6 childhood special education, homeless students, and English learners;

530.7 (10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20
530.8 children;

530.9 (11) provide high-quality coordinated professional development, training, and
530.10 coaching for both school district and community-based early learning providers that
530.11 is informed by a measure of adult-child interactions and enables teachers to be highly
530.12 knowledgeable in early childhood curriculum content, assessment, native and English
530.13 language development programs, and instruction; and

530.14 (12) implement strategies that support the alignment of professional development,
530.15 instruction, assessments, and prekindergarten through grade 3 curricula.

530.16 (b) A voluntary prekindergarten program must have teachers knowledgeable in
530.17 early childhood curriculum content, assessment, native and English language programs,
530.18 and instruction.

530.19 (c) Districts and charter schools must include their strategy for implementing and
530.20 measuring the impact of their voluntary prekindergarten program under section 120B.11
530.21 and provide results in their world's best workforce annual summary to the commissioner
530.22 of education.

530.23 Subd. 3. **Mixed delivery of services.** A district or charter school may contract
530.24 with a charter school, Head Start or child care centers, family child care programs
530.25 licensed under section 245A.03, or a community-based organization to provide eligible
530.26 children with developmentally appropriate services that meet the program requirements in
530.27 subdivision 2. Components of a mixed-delivery plan include strategies for recruitment,
530.28 contracting, and monitoring of fiscal compliance and program quality.

530.29 Subd. 4. **Eligibility.** A child who is four years of age as of September 1 in the
530.30 calendar year in which the school year commences is eligible to participate in a voluntary
530.31 prekindergarten program free of charge. Each eligible child must complete a health and
530.32 developmental screening within 90 days of program enrollment under sections 121A.16 to
530.33 121A.19, and provide documentation of required immunizations under section 121A.15.

530.34 Subd. 5. **Application process; priority for high poverty schools.** (a) To qualify
530.35 for program approval for fiscal year 2017, a district or charter school must submit an
530.36 application to the commissioner by July 1, 2016. To qualify for program approval for

531.1 fiscal year 2018 and later, a district or charter school must submit an application to the
531.2 commissioner by January 30 of the fiscal year prior to the fiscal year in which the program
531.3 will be implemented. The application must include:

531.4 (1) a description of the proposed program, including the number of hours per week
531.5 the program will be offered at each school site or mixed-delivery location;

531.6 (2) an estimate of the number of eligible children to be served in the program at each
531.7 school site or mixed-delivery location; and

531.8 (3) a statement of assurances signed by the superintendent or charter school director
531.9 that the proposed program meets the requirements of subdivision 2.

531.10 (b) The commissioner must review all applications submitted for fiscal year 2017 by
531.11 August 1, 2016, and must review all applications submitted for fiscal year 2018 and later
531.12 by March 1 of the fiscal year in which the applications are received and determine whether
531.13 each application meets the requirements of paragraph (a).

531.14 (c) The commissioner must divide all applications for new or expanded programs
531.15 meeting the requirements of paragraph (a) into four groups as follows: the Minneapolis and
531.16 St. Paul school districts; other school districts located in the metropolitan equity region as
531.17 defined in section 126C.10, subdivision 28; school districts located in the rural equity region
531.18 as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the
531.19 applications must be ordered by rank using a sliding scale based on the following criteria:

531.20 (1) concentration of kindergarten students eligible for free or reduced-price lunches
531.21 by school site on October 1 of the previous school year. For school district programs to be
531.22 operated at locations that do not have free and reduced-price lunch concentration data for
531.23 kindergarten programs for October 1 of the previous school year, including mixed-delivery
531.24 programs, the school district average concentration of kindergarten students eligible for
531.25 free or reduced-price lunches must be used for the rank ordering;

531.26 (2) presence or absence of a three- or four-star Parent Aware rated program within
531.27 the school district or close proximity of the district. School sites with the highest
531.28 concentration of kindergarten students eligible for free or reduced-price lunches that
531.29 do not have a three- or four-star Parent Aware program within the district or close
531.30 proximity of the district shall receive the highest priority, and school sites with the lowest
531.31 concentration of kindergarten students eligible for free or reduced-price lunches that have
531.32 a three- or four-star Parent Aware rated program within the district or close proximity of
531.33 the district shall receive the lowest priority.

531.34 (d) The aid available for the program as specified in subdivision 6, paragraph (b),
531.35 must initially be allocated among the four groups based on each group's percentage share
531.36 of the statewide kindergarten enrollment on October 1 of the previous school year. Within

532.1 each group, the available aid must be allocated among school sites in priority order until
532.2 that region's share of the aid limit is reached. If the aid limit is not reached for all groups,
532.3 the remaining amount must be allocated to the highest priority school sites, as designated
532.4 under this section, not funded in the initial allocation on a statewide basis.

532.5 (e) Once a school site is approved for aid under this subdivision, it shall remain
532.6 eligible for aid if it continues to meet program requirements, regardless of changes in the
532.7 concentration of students eligible for free or reduced-price lunches.

532.8 (f) If the total aid entitlement approved based on applications submitted under
532.9 paragraph (a) is less than the aid entitlement limit under subdivision 6, paragraph (b),
532.10 the commissioner must notify all school districts and charter schools of the amount that
532.11 remains available within 30 days of the initial application deadline under paragraph (a),
532.12 and complete a second round of allocations based on applications received within 60 days
532.13 of the initial application deadline.

532.14 (g) Procedures for approving applications submitted under paragraph (f) shall be the
532.15 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the
532.16 highest priority school sites not funded in the initial allocation on a statewide basis.

532.17 Subd. 6. **Program and aid entitlement limits.** (a) Notwithstanding section
532.18 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten
532.19 program for an eligible school district or charter school must not exceed 60 percent of the
532.20 kindergarten pupil units for that school district or charter school under section 126C.05,
532.21 subdivision 1, paragraph (e).

532.22 (b) In reviewing applications under subdivision 5, the commissioner must limit the
532.23 estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year
532.24 2017, \$27,239,000 for fiscal year 2018, and \$26,399,000 for fiscal year 2019 and later. If
532.25 the actual state aid entitlement based on final data exceeds the limit in any year, the aid of
532.26 the participating districts must be prorated so as not to exceed the limit.

532.27 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
532.28 later.

532.29 Sec. 7. Minnesota Statutes 2015 Supplement, section 124D.59, subdivision 2, is
532.30 amended to read:

532.31 Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten
532.32 through grade 12 or a prekindergarten student enrolled in an approved voluntary
532.33 prekindergarten program under section 124D.151 who meets the requirements under
532.34 subdivision 2a or the following requirements:

533.1 (1) the pupil, as declared by a parent or guardian first learned a language other than
533.2 English, comes from a home where the language usually spoken is other than English, or
533.3 usually speaks a language other than English; and

533.4 (2) the pupil is determined by a valid assessment measuring the pupil's English
533.5 language proficiency and by developmentally appropriate measures, which might include
533.6 observations, teacher judgment, parent recommendations, or developmentally appropriate
533.7 assessment instruments, to lack the necessary English skills to participate fully in
533.8 academic classes taught in English.

533.9 (b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in
533.10 the previous school year took a commissioner-provided assessment measuring the pupil's
533.11 emerging academic English, shall be counted as an English learner in calculating English
533.12 learner pupil units under section 126C.05, subdivision 17, and shall generate state English
533.13 learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff
533.14 score or is otherwise counted as a nonproficient participant on the assessment measuring
533.15 the pupil's emerging academic English, or, in the judgment of the pupil's classroom
533.16 teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate
533.17 academic language proficiency in English, including oral academic language, sufficient to
533.18 successfully and fully participate in the general core curriculum in the regular classroom.

533.19 (c) Notwithstanding paragraphs (a) and (b), a pupil in ~~kindergarten~~ prekindergarten
533.20 under section 124D.151, through grade 12 shall not be counted as an English learner in
533.21 calculating English learner pupil units under section 126C.05, subdivision 17, and shall
533.22 not generate state English learner aid under section 124D.65, subdivision 5, if:

533.23 (1) the pupil is not enrolled during the current fiscal year in an educational program
533.24 for English learners under sections 124D.58 to 124D.64; or

533.25 (2) the pupil has generated seven or more years of average daily membership in
533.26 Minnesota public schools since July 1, 1996.

533.27 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
533.28 later.

533.29 Sec. 8. Minnesota Statutes 2014, section 124D.68, subdivision 2, is amended to read:

533.30 Subd. 2. **Eligible pupils.** (a) A pupil under the age of 21 or who meets the
533.31 requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in
533.32 the graduation incentives program, if the pupil:

533.33 (1) performs substantially below the performance level for pupils of the same age
533.34 in a locally determined achievement test;

- 534.1 (2) is behind in satisfactorily completing coursework or obtaining credits for
534.2 graduation;
- 534.3 (3) is pregnant or is a parent;
- 534.4 (4) has been assessed as chemically dependent;
- 534.5 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;
- 534.6 (6) has been referred by a school district for enrollment in an eligible program or
534.7 a program pursuant to section 124D.69;
- 534.8 (7) is a victim of physical or sexual abuse;
- 534.9 (8) has experienced mental health problems;
- 534.10 (9) has experienced homelessness sometime within six months before requesting a
534.11 transfer to an eligible program;
- 534.12 (10) speaks English as a second language or is an English learner; or
- 534.13 (11) has withdrawn from school or has been chronically truant; or
- 534.14 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or
534.15 other life threatening illness or is the sibling of an eligible pupil who is being currently
534.16 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary
534.17 of the seven-county metropolitan area.

534.18 (b) For the 2016-2017 school year only, a pupil otherwise qualifying under
534.19 paragraph (a) who is at least 21 years of age and not yet 22 years of age, is an English
534.20 learner with an interrupted formal education according to section 124D.59, subdivision 2a,
534.21 and was in an early middle college program during the previous school year is eligible to
534.22 participate in the graduation incentives program under section 124D.68 and in concurrent
534.23 enrollment courses offered under section 124D.09, subdivision 10, and is funded in the
534.24 same manner as other pupils under this section.

534.25 Sec. 9. Minnesota Statutes 2015 Supplement, section 126C.05, subdivision 1, is
534.26 amended to read:

534.27 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the
534.28 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph
534.29 (c), in average daily membership enrolled in the district of residence, in another district
534.30 under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school
534.31 under chapter 124E; or for whom the resident district pays tuition under section 123A.18,
534.32 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,
534.33 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this
534.34 subdivision.

535.1 (a) A prekindergarten pupil with a disability who is enrolled in a program approved
535.2 by the commissioner and has an individualized education program is counted as the ratio
535.3 of the number of hours of assessment and education service to 825 times 1.0 with a
535.4 minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

535.5 (b) A prekindergarten pupil who is assessed but determined not to be disabled is
535.6 counted as the ratio of the number of hours of assessment service to 825 times 1.0.

535.7 (c) A kindergarten pupil with a disability who is enrolled in a program approved
535.8 by the commissioner is counted as the ratio of the number of hours of assessment and
535.9 education services required in the fiscal year by the pupil's individualized education
535.10 program to 875, but not more than one.

535.11 (d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is
535.12 enrolled in an approved voluntary prekindergarten program under section 124D.151 is
535.13 counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more
535.14 than 0.6 pupil units.

535.15 ~~(d)~~ (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0
535.16 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available
535.17 to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in
535.18 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,
535.19 every day kindergarten program available to all kindergarten pupils at the pupil's school.

535.20 ~~(e)~~ (f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

535.21 ~~(f)~~ (g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

535.22 ~~(g)~~ (h) A pupil who is in the postsecondary enrollment options program is counted
535.23 as 1.2 pupil units.

535.24 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
535.25 later.

535.26 Sec. 10. Minnesota Statutes 2014, section 126C.05, subdivision 3, is amended to read:

535.27 Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units
535.28 for fiscal year 1998 and thereafter must be computed according to this subdivision.

535.29 (a) The compensation revenue concentration percentage for each building in a
535.30 district equals the product of 100 times the ratio of:

535.31 (1) the sum of the number of pupils enrolled in the building eligible to receive free
535.32 lunch plus one-half of the pupils eligible to receive reduced priced lunch on October
535.33 1 of the previous fiscal year; to

535.34 (2) the number of pupils enrolled in the building on October 1 of the previous fiscal
535.35 year.

536.1 (b) The compensation revenue pupil weighting factor for a building equals the
536.2 lesser of one or the quotient obtained by dividing the building's compensation revenue
536.3 concentration percentage by 80.0.

536.4 (c) The compensation revenue pupil units for a building equals the product of:

536.5 (1) the sum of the number of pupils enrolled in the building eligible to receive free
536.6 lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1
536.7 of the previous fiscal year; times

536.8 (2) the compensation revenue pupil weighting factor for the building; times

536.9 (3) .60.

536.10 (d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs
536.11 under section 124D.151, charter schools, and contracted alternative programs in the
536.12 first year of operation, compensation revenue pupil units shall be computed using data
536.13 for the current fiscal year. If the voluntary prekindergarten program, charter school, or
536.14 contracted alternative program begins operation after October 1, compensatory revenue
536.15 pupil units shall be computed based on pupils enrolled on an alternate date determined by
536.16 the commissioner, and the compensation revenue pupil units shall be prorated based on
536.17 the ratio of the number of days of student instruction to 170 days.

536.18 (e) The percentages in this subdivision must be based on the count of individual
536.19 pupils and not on a building average or minimum.

536.20 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
536.21 later.

536.22 Sec. 11. Minnesota Statutes 2014, section 126C.10, subdivision 2d, is amended to read:

536.23 Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining
536.24 enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the
536.25 formula allowance for that year and (2) the difference between the adjusted pupil units for
536.26 the preceding year and the adjusted pupil units for the current year.

536.27 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil
536.28 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the
536.29 district or charter school in which the pupil was last counted in average daily membership.

536.30 (c) Notwithstanding paragraph (a), for fiscal years 2017, 2018, and 2019 only,
536.31 prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be
536.32 excluded from the calculation of declining enrollment revenue.

536.33 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
536.34 later.

537.1 Sec. 12. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 13a,
537.2 is amended to read:

537.3 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue, a district
537.4 may levy an amount not more than the product of its operating capital revenue for the
537.5 fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted
537.6 pupil unit to the operating capital equalizing factor. The operating capital equalizing factor
537.7 equals ~~\$14,500 for fiscal years 2015 and 2016, \$14,740~~ \$15,740 for fiscal year 2017,
537.8 ~~\$17,473~~ \$19,972 for fiscal year 2018, and ~~\$20,510~~ \$22,912 for fiscal year 2019 and later.

537.9 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
537.10 later.

537.11 Sec. 13. Minnesota Statutes 2014, section 126C.10, subdivision 24, is amended to read:

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

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

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

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

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

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

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

537.33 (f) For fiscal years 2017, 2018, and 2019 for a school district not included in
537.34 paragraph (e) a district's equity revenue equals the amount computed in paragraphs (b),
537.35 (c), and (d) multiplied by 1.16. For fiscal year 2020 and later for a school district not

538.1 included in paragraph (e) a district's equity revenue equals the amount computed in
538.2 paragraphs (b), (c), and (d) multiplied by 1.25.

538.3 (g) A school district's additional equity revenue equals \$50 times its adjusted pupil
538.4 units.

538.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
538.6 and later.

538.7 Sec. 14. Minnesota Statutes 2014, section 127A.353, subdivision 4, is amended to read:

538.8 Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

538.9 (1) take an oath of office before assuming any duties as the director;

538.10 (2) evaluate the school trust land asset position;

538.11 (3) determine the estimated current and potential market value of school trust lands;

538.12 (4) advise the governor, Executive Council, commissioner of natural resources,

538.13 and the Legislative Permanent School Fund Commission on the management of school

538.14 trust lands, including:

538.15 (i) Department of Natural Resources school trust land management plans;

538.16 (ii) leases of school trust lands;

538.17 (iii) royalty agreements on school trust lands;

538.18 (iv) land sales and exchanges;

538.19 (v) cost certification; and

538.20 (vi) revenue generating options;

538.21 (5) propose to the Legislative Permanent School Fund Commission legislative

538.22 changes that will improve the asset allocation of the school trust lands;

538.23 (6) develop a ten-year strategic plan and a 25-year framework for management of

538.24 school trust lands, in conjunction with the commissioner of natural resources, that is

538.25 updated every five years and implemented by the commissioner, with goals to:

538.26 (i) retain core real estate assets;

538.27 (ii) increase the value of the real estate assets and the cash flow from those assets;

538.28 (iii) rebalance the portfolio in assets with high performance potential and the

538.29 strategic disposal of selected assets;

538.30 (iv) establish priorities for management actions; and

538.31 (v) balance revenue enhancement and resource stewardship;

538.32 (7) submit to the Legislative Permanent School Fund Commission for review an

538.33 annual budget and management plan for the director; and

539.1 (8) keep the beneficiaries, governor, legislature, and the public informed about the
539.2 work of the director by reporting to the Legislative Permanent School Fund Commission
539.3 in a public meeting at least once during each calendar quarter.

539.4 (b) In carrying out the duties under paragraph (a), the school trust lands director
539.5 shall have the authority to:

539.6 (1) direct and control money appropriated to the director;

539.7 (2) establish job descriptions and employ up to five employees in the unclassified
539.8 service, within the limitations of money appropriated to the director;

539.9 (3) enter into interdepartmental agreements with any other state agency; ~~and~~

539.10 (4) enter into joint powers agreements under chapter 471;

539.11 (5) evaluate and initiate real estate development projects on school trust lands with
539.12 the advice of the Legislative Permanent School Fund Commission in order to generate
539.13 long-term economic return to the permanent school fund;

539.14 (6) serve as temporary trustee of school trust land for school trust lands subject to
539.15 proposed or active eminent domain proceedings; and

539.16 ~~(4)~~ (7) submit recommendations on strategies for school trust land leases, sales, or
539.17 exchanges to the commissioner of natural resources and the Legislative Permanent School
539.18 Fund Commission.

539.19 **EFFECTIVE DATE.** This section is effective July 1, 2016.

539.20 Sec. 15. Minnesota Statutes 2014, section 127A.51, is amended to read:

539.21 **127A.51 STATEWIDE AVERAGE REVENUE.**

539.22 By ~~October~~ December 1 of each year the commissioner must estimate the statewide
539.23 average adjusted general revenue per adjusted pupil unit and the disparity in adjusted
539.24 general revenue among pupils and districts by computing the ratio of the 95th percentile
539.25 to the fifth percentile of adjusted general revenue. The commissioner must provide that
539.26 information to all districts.

539.27 If the disparity in adjusted general revenue as measured by the ratio of the 95th
539.28 percentile to the fifth percentile increases in any year, the commissioner shall recommend
539.29 to the legislature options for change in the general education formula that will limit the
539.30 disparity in adjusted general revenue to no more than the disparity for the previous
539.31 school year. The commissioner must submit the recommended options to the education
539.32 committees of the legislature by ~~January 15~~ February 1.

539.33 For purposes of this section and section 126C.10, adjusted general revenue means
539.34 the sum of basic revenue under section 126C.10, subdivision 2; referendum revenue under

540.1 section 126C.17; local optional revenue under section 126C.10, subdivision 2e; and equity
540.2 revenue under section 126C.10, subdivisions 24a and 24b.

540.3 Sec. 16. Laws 2015, First Special Session chapter 3, article 1, section 24, is amended
540.4 to read:

540.5 Sec. 24. **COMPENSATORY REVENUE; INTERMEDIATE DISTRICT.**

540.6 For the ~~2015-2016~~ 2016-2017 school year only, for an intermediate district formed
540.7 under Minnesota Statutes, section 136D.41, the department must calculate compensatory
540.8 revenue based on the October 1, ~~2014~~ 2015, enrollment counts for the ~~South~~ SouthWest
540.9 Metro Educational Cooperative.

540.10 Sec. 17. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision
540.11 2, is amended to read:

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

540.14		6,624,310,000		
540.15	\$	<u>6,649,435,000</u>	.....	2016
540.16		6,761,574,000		
540.17	\$	<u>6,815,372,000</u>	.....	2017

540.18 The 2016 appropriation includes \$~~622,908,000~~ for 2015 and ~~\$6,001,405,000~~
540.19 6,026,524,000 for 2016.

540.20 The 2017 appropriation includes ~~\$638,812,000~~ \$641,412,000 for 2016 and
540.21 ~~\$6,122,762,000~~ \$6,173,962,000 for 2017.

540.22 Sec. 18. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 2,
540.23 is amended to read:

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

540.26		15,661,000		
540.27	\$	<u>16,251,000</u>	.....	2016
540.28		15,818,000		
540.29	\$	<u>16,775,000</u>	.....	2017

540.30 Sec. 19. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 3,
540.31 is amended to read:

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

541.1		<u>9,731,000</u>		
541.2	\$	<u>9,457,000</u>	.....	2016
541.3		10,361,000		
541.4	\$	<u>10,365,000</u>	.....	2017

541.5 **Sec. 20. VOLUNTARY BOUNDARY ALIGNMENT; MOORHEAD AND**
541.6 **DILWORTH-GLYNDON-FELTON.**

541.7 Subdivision 1. **Boundary realignment allowed.** The school boards of Independent
541.8 School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may realign
541.9 their shared district boundaries according to the provisions of this section.

541.10 Subd. 2. **Plan to establish new boundaries.** (a) The school boards of Independent
541.11 School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may jointly
541.12 develop a plan to realign their shared school district boundaries over a period of years.

541.13 (b) The plan must specify and identify each group of parcels that will be transferred
541.14 and the method used to determine the year during which each set of parcels is transferred.
541.15 The method of transfer may include an analysis of the relative tax base of the parcels to
541.16 be transferred and may make the transfers of parcels effective upon the relationship in
541.17 relative tax bases.

541.18 (c) The written plan must be adopted by each school board after the board has
541.19 allowed public testimony on the plan.

541.20 (d) The plan must be filed with both the county auditor and the commissioner of
541.21 education.

541.22 (e) After adopting the plan, each school board must publish notice of the plan
541.23 realigning district boundaries. The notice must include a general description of the area
541.24 that will be affected by the proposed boundary alignment and the method by which the
541.25 boundaries will be realigned. The notice must also be mailed to each property owner of
541.26 record in the area proposed for realignment.

541.27 Subd. 3. **Bonded debt.** As of the effective date of each exchange of parcels between
541.28 the two school districts, for the next and subsequent tax years, the taxable property in the
541.29 newly aligned parcel is taxable for a portion of the bonded debt of the school district to
541.30 which the property is attached and is not taxable for the bonded debt from the school
541.31 district from which the property is detached.

541.32 Subd. 4. **County auditor notified.** After adoption of the plan, each school board
541.33 must provide a copy of the plan to the county auditor. The county auditor may request
541.34 any other necessary information from the school districts to effect the transfer of parcels

542.1 between the school districts. Each year, the school districts must notify the county auditor
542.2 of what block of parcels, if any, will be transferred between the two school districts. The
542.3 county auditor must notify each affected property owner of the boundary change.

542.4 Subd. 5. **Report to commissioner of education.** Upon adoption of the plan, the
542.5 school boards must submit a copy of the plan to the commissioner of education. The
542.6 districts must also provide any additional information necessary for computing school
542.7 aids and levies to the commissioner of education in the form and manner requested by
542.8 the department.

542.9 **EFFECTIVE DATE.** This section is effective the day after the school boards of
542.10 Independent School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton,
542.11 and their respective chief clerical officers timely comply with Minnesota Statutes, section
542.12 645.021, subdivisions 2 and 3.

542.13 Sec. 21. **GLENVILLE-EMMONS SCHOOL DISTRICT; OPERATING**
542.14 **REFERENDUM ADJUSTMENT.**

542.15 Subdivision 1. **Year first effective.** Notwithstanding any law to the contrary, the
542.16 operating referendum approved by the voters of Independent School District No. 2886,
542.17 Glenville-Emmons, in April 2015, is first effective for fiscal year 2017 and may run for
542.18 the number of years stated on the ballot. The total referendum authority for fiscal year
542.19 2017, including any board-approved authority, may not exceed the amount approved
542.20 by the voters.

542.21 Subd. 2. **Documentation and process.** The board of Independent School District
542.22 No. 2886, Glenville-Emmons, must submit to the commissioner of education the following:

542.23 (1) a unanimously adopted written resolution of the board at a public meeting
542.24 authorizing the operating referendum to begin in fiscal year 2017;

542.25 (2) documentation showing that the district's approved plan to eliminate its statutory
542.26 operating debt is being followed; and

542.27 (3) any other information requested by the commissioner.

542.28 Subd. 3. **Levy adjustment.** Independent School District No. 2886,
542.29 Glenville-Emmons, may certify the levy to accompany the fiscal year 2017 operating
542.30 referendum over a three-year period beginning with taxes payable in 2017.

542.31 Sec. 22. **EQUITY AID; FISCAL YEAR 2017.**

543.1 For fiscal year 2017 only, the entire amount of the equity revenue adjustment under
543.2 section 13 is paid through state aid.

543.3 **ARTICLE 28**

543.4 **CHARTER SCHOOLS**

543.5 Section 1. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 1, is
543.6 amended to read:

543.7 Subdivision 1. **Eligible authorizers.** The following organizations may authorize
543.8 one or more charter schools:

543.9 (1) a school board, intermediate school district school board, or education district
543.10 organized under sections 123A.15 to 123A.19;

543.11 (2) a charitable organization under section 501(c)(3) of the Internal Revenue Code
543.12 of 1986, excluding a nonpublic sectarian or religious institution; any person other than a
543.13 natural person that directly or indirectly, through one or more intermediaries, controls,
543.14 is controlled by, or is under common control with the nonpublic sectarian or religious
543.15 institution; and any other charitable organization under this clause that in the federal IRS
543.16 Form 1023, Part IV, describes activities indicating a religious purpose, that:

543.17 ~~(i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on~~
543.18 ~~Foundations;~~

543.19 ~~(ii)~~ is registered with the attorney general's office; and

543.20 ~~(iii)~~ (ii) is incorporated in the state of Minnesota and has been operating continuously
543.21 for at least five years but does not operate a charter school;

543.22 (3) a Minnesota private college, notwithstanding clause (2), that grants two- or
543.23 four-year degrees and is registered with the Minnesota Office of Higher Education under
543.24 chapter 136A; community college, state university, or technical college governed by the
543.25 Board of Trustees of the Minnesota State Colleges and Universities; or the University
543.26 of Minnesota;

543.27 (4) a nonprofit corporation subject to chapter 317A, described in section 317A.905,
543.28 and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code
543.29 of 1986, may authorize one or more charter schools if the charter school has operated
543.30 for at least three years under a different authorizer and if the nonprofit corporation has
543.31 existed for at least 25 years; or

543.32 (5) single-purpose authorizers formed as charitable, nonsectarian organizations
543.33 under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state
543.34 of Minnesota under chapter 317A as a corporation with no members or under section
543.35 322B.975 as a nonprofit limited liability company for the sole purpose of chartering schools.

544.1 Sec. 2. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 4, is
544.2 amended to read:

544.3 Subd. 4. **Application content.** (a) An applicant must include in its application to
544.4 the commissioner to be an approved authorizer at least the following:

544.5 (1) how chartering schools is a way for the organization to carry out its mission;

544.6 ~~(2) a description of the capacity of the organization to serve as an authorizer,~~
544.7 ~~including the personnel who will perform the authorizing duties, their qualifications, the~~
544.8 ~~amount of time they will be assigned to this responsibility, and the financial resources~~
544.9 ~~allocated by the organization to this responsibility;~~

544.10 (2) a description of the capacity of the organization to serve as an authorizer,
544.11 including the positions allocated to authorizing duties, the qualifications for those
544.12 positions, the full-time equivalencies of those positions, and the financial resources
544.13 available to fund the positions;

544.14 (3) a description of the application and review process the authorizer will use to
544.15 make decisions regarding the granting of charters;

544.16 (4) a description of the type of contract it will arrange with the schools it charters
544.17 that meets the provisions of section 124E.10;

544.18 (5) the process to be used for providing ongoing oversight of the school consistent
544.19 with the contract expectations specified in clause (4) that assures that the schools chartered
544.20 are complying with both the provisions of applicable law and rules, and with the contract;

544.21 (6) a description of the criteria and process the authorizer will use to grant expanded
544.22 applications under section 124E.06, subdivision 5;

544.23 (7) the process for making decisions regarding the renewal or termination of
544.24 the school's charter based on evidence that demonstrates the academic, organizational,
544.25 and financial competency of the school, including its success in increasing student
544.26 achievement and meeting the goals of the charter school agreement; and

544.27 (8) an assurance specifying that the organization is committed to serving as an
544.28 authorizer for the full five-year term.

544.29 (b) Notwithstanding paragraph (a), an authorizer that is a school district may satisfy
544.30 the requirements of paragraph (a), clauses (1) and (2), and any requirement governing a
544.31 conflict of interest between an authorizer and its charter schools or ongoing evaluation or
544.32 continuing education of an administrator or other professional support staff by submitting
544.33 to the commissioner a written promise to comply with the requirements.

544.34 **EFFECTIVE DATE.** This section is effective January 1, 2017.

545.1 Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 5, is
545.2 amended to read:

545.3 Subd. 5. **Review by commissioner.** (a) The commissioner shall review an
545.4 authorizer's performance every five years in a manner and form determined by the
545.5 commissioner, subject to paragraphs (b) and (c), and may review an authorizer's
545.6 performance more frequently at the commissioner's own initiative or at the request of a
545.7 charter school operator, charter school board member, or other interested party. The
545.8 commissioner, after completing the review, shall transmit a report with findings to the
545.9 authorizer.

545.10 (b) Consistent with this subdivision, the commissioner must:

545.11 (1) use criteria appropriate to the authorizer and the schools it charters to review
545.12 the authorizer's performance; and

545.13 (2) consult with authorizers, charter school operators, and other charter school
545.14 stakeholders in developing review criteria under this paragraph.

545.15 (c) The commissioner's form must use existing department data on the authorizer to
545.16 minimize duplicate reporting to the extent practicable. When reviewing an authorizer's
545.17 performance under this subdivision, the commissioner must not:

545.18 (1) fail to credit;

545.19 (2) withhold points; or

545.20 (3) otherwise penalize an authorizer for failing to charter additional schools or for
545.21 the absence of complaints against the authorizer's current portfolio of charter schools.

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

545.23 Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 7, is
545.24 amended to read:

545.25 Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to
545.26 withdraw as an approved authorizer for a reason unrelated to any cause under section
545.27 124E.10, subdivision 4, the authorizer must notify all its chartered schools and the
545.28 commissioner in writing by ~~July 15~~ March 1 of its intent to withdraw as an authorizer on
545.29 June 30 in the next calendar year, regardless of when the authorizer's five-year term of
545.30 approval ends. The commissioner may approve the transfer of a charter school to a new
545.31 authorizer under ~~this subdivision after the new authorizer submits an affidavit to the~~
545.32 ~~commissioner~~ section 124E.10, subdivision 5.

545.33 Sec. 5. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 1, is
545.34 amended to read:

546.1 Subdivision 1. **Contents.** (a) The authorization for a charter school must be in the
546.2 form of a written contract signed by the authorizer and the board of directors of the charter
546.3 school. The contract must be completed within 45 business days of the commissioner's
546.4 approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a
546.5 copy of the signed charter contract within ten business days of its execution. The contract
546.6 for a charter school must be in writing and contain at least the following:

546.7 (1) a declaration that the charter school will carry out the primary purpose in section
546.8 124E.01, subdivision 1, and how the school will report its implementation of the primary
546.9 purpose;

546.10 (2) a declaration of the additional purpose or purposes in section 124E.01,
546.11 subdivision 1, that the school intends to carry out and how the school will report its
546.12 implementation of those purposes;

546.13 (3) a description of the school program and the specific academic and nonacademic
546.14 outcomes that pupils must achieve;

546.15 (4) a statement of admission policies and procedures;

546.16 (5) a governance, management, and administration plan for the school;

546.17 (6) signed agreements from charter school board members to comply with all
546.18 federal and state laws governing organizational, programmatic, and financial requirements
546.19 applicable to charter schools;

546.20 (7) the criteria, processes, and procedures that the authorizer will use to monitor and
546.21 evaluate the fiscal, operational, and academic performance consistent with subdivision
546.22 3, paragraphs (a) and (b);

546.23 (8) for contract renewal, the formal written performance evaluation of the school
546.24 that is a prerequisite for reviewing a charter contract under subdivision 3;

546.25 (9) types and amounts of insurance liability coverage to be obtained by the charter
546.26 school, consistent with section 124E.03, subdivision 2, paragraph (d);

546.27 (10) consistent with section 124E.09, paragraph (d), a provision to indemnify and
546.28 hold harmless the authorizer and its officers, agents, and employees from any suit, claim,
546.29 or liability arising from any operation of the charter school, and the commissioner and
546.30 department officers, agents, and employees notwithstanding section 3.736;

546.31 (11) the term of the initial contract, which may be up to five years plus ~~an additional~~
546.32 a preoperational planning year period, and up to five years for a renewed contract or a
546.33 contract with a new authorizer after a transfer of authorizers, if warranted by the school's
546.34 academic, financial, and operational performance;

546.35 (12) how the board of directors or the operators of the charter school will provide
546.36 special instruction and services for children with a disability under sections 125A.03

547.1 to 125A.24, and 125A.65, a description of the financial parameters within which the
547.2 charter school will operate to provide the special instruction and services to children
547.3 with a disability;

547.4 (13) the specific conditions for contract renewal that identify performance of all
547.5 students under the primary purpose of section 124E.01, subdivision 1, as the most
547.6 important factor in determining contract renewal;

547.7 (14) the additional purposes under section 124E.01, subdivision 1, and related
547.8 performance obligations under clause (7) contained in the charter contract as additional
547.9 factors in determining contract renewal; and

547.10 (15) the plan for an orderly closing of the school under chapter 317A, whether
547.11 the closure is a termination for cause, a voluntary termination, or a nonrenewal of the
547.12 contract, that includes establishing the responsibilities of the school board of directors
547.13 and the authorizer and notifying the commissioner, authorizer, school district in which the
547.14 charter school is located, and parents of enrolled students about the closure, information
547.15 and assistance sufficient to enable the student to re-enroll in another school, the transfer
547.16 of student records under section 124E.03, subdivision 5, paragraph (b), and procedures
547.17 for closing financial operations.

547.18 (b) A charter school must design its programs to at least meet the outcomes adopted
547.19 by the commissioner for public school students, including world's best workforce goals
547.20 under section 120B.11, subdivision 1. In the absence of the commissioner's requirements,
547.21 the school must meet the outcomes contained in the contract with the authorizer. The
547.22 achievement levels of the outcomes contained in the contract may exceed the achievement
547.23 levels of any outcomes adopted by the commissioner for public school students.

547.24 Sec. 6. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 5, is
547.25 amended to read:

547.26 Subd. 5. **Mutual nonrenewal.** If the authorizer and the charter school board of
547.27 directors mutually agree not to renew the contract, or if the governing board of an approved
547.28 authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause
547.29 under subdivision 4, a change in authorizers is allowed. The authorizer and the school
547.30 board must jointly submit a written and signed letter of their intent to the commissioner to
547.31 mutually not renew the contract. The authorizer that is a party to the existing contract must
547.32 inform the proposed authorizer about the fiscal, operational, and student performance status
547.33 of the school, as well as any including unmet contract outcomes and other outstanding
547.34 contractual obligations that exist. The charter contract between the proposed authorizer
547.35 and the school must identify and provide a plan to address any outstanding obligations from

548.1 the previous contract. The proposed contract must be submitted at least 105 business days
548.2 before the end of the existing charter contract. The commissioner shall have 30 business
548.3 days to review and make a determination. The proposed authorizer and the school shall
548.4 have 15 business days to respond to the determination and address any issues identified by
548.5 the commissioner. A final determination by the commissioner shall be made no later than
548.6 45 business days before the end of the current charter contract. If no change in authorizer
548.7 is approved, the school and the current authorizer may withdraw their letter of nonrenewal
548.8 and enter into a new contract. If the transfer of authorizers is not approved and the current
548.9 authorizer and the school do not withdraw their letter and enter into a new contract, the
548.10 school must be dissolved according to applicable law and the terms of the contract.

548.11 Sec. 7. Minnesota Statutes 2015 Supplement, section 124E.16, subdivision 2, is
548.12 amended to read:

548.13 Subd. 2. **Annual public reports.** (a) A charter school must publish an annual report
548.14 approved by the board of directors. The annual report must at least include information
548.15 on school enrollment, student attrition, governance and management, staffing, finances,
548.16 academic performance, innovative practices and implementation, and future plans. A
548.17 charter school may combine this report with the reporting required under section 120B.11.
548.18 A charter school must post the annual report on the school's official Web site. A charter
548.19 school must also distribute the annual report by publication, mail, or electronic means to
548.20 its authorizer, school employees, and parents and legal guardians of students enrolled in
548.21 the charter school. The reports are public data under chapter 13.

548.22 (b) ~~The commissioner shall establish specifications for~~ An authorizer must submit an
548.23 authorizer's annual public report that in a manner specified by the commissioner by January
548.24 15 for the previous school year ending June 30 that shall at least include key indicators of
548.25 school academic, operational, and financial performance. The report is part of the system
548.26 to evaluate authorizer performance under section 124E.05, subdivision 5. ~~The report shall~~
548.27 ~~at least include key indicators of school academic, operational, and financial performance.~~

548.28 Sec. 8. Minnesota Statutes 2014, section 127A.45, subdivision 6a, is amended to read:

548.29 Subd. 6a. **Cash flow adjustment.** The board of directors of any ~~charter school~~
548.30 ~~servicing fewer than 200 students where the percent of students eligible for special~~
548.31 ~~education services equals at least 90 percent of the charter school's total enrollment~~
548.32 eligible special education charter school under section 124E.21, subdivision 2, may
548.33 request that the commissioner of education accelerate the school's cash flow under this
548.34 section. The commissioner must approve a properly submitted request within 30 days of

549.1 its receipt. The commissioner must accelerate the school's regular special education aid
549.2 payments according to the schedule in the school's request and modify the payments to the
549.3 school under subdivision 3 accordingly. A school must not receive current payments of
549.4 regular special education aid exceeding 90 percent of its estimated aid entitlement for the
549.5 fiscal year. The commissioner must delay the special education aid payments to all other
549.6 school districts and charter schools in proportion to each district or charter school's total
549.7 share of regular special education aid such that the overall aid payment savings from the
549.8 aid payment shift remains unchanged for any fiscal year.

549.9 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
549.10 later.

549.11 Sec. 9. Laws 2015, First Special Session chapter 3, article 4, section 4, the effective
549.12 date, is amended to read:

549.13 **EFFECTIVE DATE.** This section is effective the day following final enactment
549.14 except the provision under paragraph (g) allowing prekindergarten deaf or hard-of-hearing
549.15 pupils to enroll in a charter school is effective ~~only if the commissioner of education~~
549.16 ~~determines there is no added cost attributable to the pupil~~ for the 2016-2017 school year
549.17 and later.

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

549.19 Sec. 10. Laws 2015, First Special Session chapter 3, article 4, section 9, subdivision 2,
549.20 is amended to read:

549.21 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
549.22 Statutes, section ~~124D.11, subdivision 4~~ 124E.22:

549.23 ~~66,787,000~~
549.24 \$ 63,540,000 2016
549.25 ~~73,603,000~~
549.26 \$ 70,132,000 2017

549.27 The 2016 appropriation includes \$6,032,000 for 2015 and ~~\$60,755,000~~ \$57,508,000
549.28 for 2016.

549.29 The 2017 appropriation includes ~~\$6,750,000~~ \$6,389,000 for 2016 and ~~\$66,853,000~~
549.30 \$63,743,000 for 2017.

550.1 **ARTICLE 29**

550.2 **SPECIAL EDUCATION**

550.3 Section 1. Minnesota Statutes 2015 Supplement, section 120B.125, is amended to read:

550.4 **120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION**
550.5 **TO POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL**
550.6 **LEARNING PLANS.**

550.7 (a) Consistent with sections 120B.13, 120B.131, 120B.132, 120B.14, 120B.15,
550.8 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school
550.9 districts, beginning in the 2013-2014 school year, must assist all students by no later
550.10 than grade 9 to explore their educational, college, and career interests, aptitudes, and
550.11 aspirations and develop a plan for a smooth and successful transition to postsecondary
550.12 education or employment. All students' plans must:

550.13 (1) provide a comprehensive plan to prepare for and complete a career and college
550.14 ready curriculum by meeting state and local academic standards and developing career and
550.15 employment-related skills such as team work, collaboration, creativity, communication,
550.16 critical thinking, and good work habits;

550.17 (2) emphasize academic rigor and high expectations;

550.18 (3) help students identify interests, aptitudes, aspirations, and personal learning
550.19 styles that may affect their career and college ready goals and postsecondary education
550.20 and employment choices;

550.21 (4) set appropriate career and college ready goals with timelines that identify
550.22 effective means for achieving those goals;

550.23 (5) help students access education and career options;

550.24 (6) integrate strong academic content into career-focused courses and applied and
550.25 experiential learning opportunities and integrate relevant career-focused courses and
550.26 applied and experiential learning opportunities into strong academic content;

550.27 (7) help identify and access appropriate counseling and other supports and assistance
550.28 that enable students to complete required coursework, prepare for postsecondary education
550.29 and careers, and obtain information about postsecondary education costs and eligibility
550.30 for financial aid and scholarship;

550.31 (8) help identify collaborative partnerships among prekindergarten through grade
550.32 12 schools, postsecondary institutions, economic development agencies, and local and
550.33 regional employers that support students' transition to postsecondary education and
550.34 employment and provide students with applied and experiential learning opportunities; and

550.35 (9) be reviewed and revised at least annually by the student, the student's parent or
550.36 guardian, and the school or district to ensure that the student's course-taking schedule keeps

551.1 the student making adequate progress to meet state and local academic standards and high
551.2 school graduation requirements and with a reasonable chance to succeed with employment
551.3 or postsecondary education without the need to first complete remedial course work.

551.4 (b) A school district may develop grade-level curricula or provide instruction that
551.5 introduces students to various careers, but must not require any curriculum, instruction,
551.6 or employment-related activity that obligates an elementary or secondary student to
551.7 involuntarily select or pursue a career, career interest, employment goals, or related job
551.8 training.

551.9 (c) Educators must possess the knowledge and skills to effectively teach all English
551.10 learners in their classrooms. School districts must provide appropriate curriculum,
551.11 targeted materials, professional development opportunities for educators, and sufficient
551.12 resources to enable English learners to become career and college ready.

551.13 (d) When assisting students in developing a plan for a smooth and successful
551.14 transition to postsecondary education and employment, districts must recognize the unique
551.15 possibilities of each student and ensure that the contents of each student's plan reflect the
551.16 student's unique talents, skills, and abilities as the student grows, develops, and learns.

551.17 (e) If a student with a disability has an individualized education program (IEP) or
551.18 standardized written plan that meets the plan components of this section, the IEP satisfies
551.19 the requirement and no additional transition plan is needed.

551.20 Sec. 2. Minnesota Statutes 2014, section 122A.31, subdivision 3, is amended to read:

551.21 Subd. 3. **Qualified interpreters.** The Department of Education ~~and the resource~~
551.22 ~~center:~~ state specialist for deaf and hard-of-hearing ~~hard-of-hearing~~ shall work with
551.23 existing interpreter/transliterator training programs, other training/educational institutions,
551.24 and the regional service centers to ensure that ongoing staff development training for
551.25 educational interpreters/transliterators is provided throughout the state.

551.26 Sec. 3. Minnesota Statutes 2014, section 124D.15, subdivision 15, is amended to read:

551.27 Subd. 15. **Eligibility.** A child is eligible to participate in a school readiness program
551.28 if the child:

551.29 (1) is at least three years old on September 1;

551.30 (2) has completed health and developmental screening within 90 days of program
551.31 enrollment under sections 121A.16 to 121A.19; and

551.32 (3) has one or more of the following risk factors:

551.33 (i) qualifies for free or reduced-price lunch;

551.34 (ii) is an English learner;

- 552.1 (iii) is homeless;
- 552.2 (iv) has an individualized education program (IEP) or ~~an individual interagency~~
552.3 ~~intervention plan (IHP)~~ standardized written plan;
- 552.4 (v) is identified, through health and developmental screenings under sections
552.5 121A.16 to 121A.19, with a potential risk factor that may influence learning; or
- 552.6 (vi) is defined as ~~at-risk~~ at risk by the school district.

552.7 Sec. 4. Minnesota Statutes 2015 Supplement, section 125A.08, is amended to read:

552.8 **125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.**

552.9 (a) At the beginning of each school year, each school district shall have in effect, for
552.10 each child with a disability, an individualized education program.

552.11 (b) As defined in this section, every district must ensure the following:

552.12 (1) all students with disabilities are provided the special instruction and services
552.13 which are appropriate to their needs. Where the individualized education program team
552.14 has determined appropriate goals and objectives based on the student's needs, including
552.15 the extent to which the student can be included in the least restrictive environment,
552.16 and where there are essentially equivalent and effective instruction, related services, or
552.17 assistive technology devices available to meet the student's needs, cost to the district may
552.18 be among the factors considered by the team in choosing how to provide the appropriate
552.19 services, instruction, or devices that are to be made part of the student's individualized
552.20 education program. The individualized education program team shall consider and
552.21 may authorize services covered by medical assistance according to section 256B.0625,
552.22 subdivision 26. Before a school district evaluation team makes a determination of other
552.23 health disability under Minnesota Rules, part 3525.1335, subparts 1 and 2, item A, subitem
552.24 (1), the evaluation team must seek written documentation of the student's medically
552.25 diagnosed chronic or acute health condition signed by a licensed physician or a licensed
552.26 health care provider acting within the scope of the provider's practice. The student's
552.27 needs and the special education instruction and services to be provided must be agreed
552.28 upon through the development of an individualized education program. The program
552.29 must address the student's need to develop skills to live and work as independently
552.30 as possible within the community. The individualized education program team must
552.31 consider positive behavioral interventions, strategies, and supports that address behavior
552.32 needs for children. During grade 9, the program must address the student's needs for
552.33 transition from secondary services to postsecondary education and training, employment,
552.34 community participation, recreation, and leisure and home living. In developing the
552.35 program, districts must inform parents of the full range of transitional goals and related

553.1 services that should be considered. The program must include a statement of the needed
553.2 transition services, including a statement of the interagency responsibilities or linkages or
553.3 both before secondary services are concluded. If the individualized education program
553.4 meets the plan components in section 120B.125, the individualized education program
553.5 satisfies the requirement and no additional transition plan is needed;

553.6 (2) children with a disability under age five and their families are provided special
553.7 instruction and services appropriate to the child's level of functioning and needs;

553.8 (3) children with a disability and their parents or guardians are guaranteed procedural
553.9 safeguards and the right to participate in decisions involving identification, assessment
553.10 including assistive technology assessment, and educational placement of children with a
553.11 disability;

553.12 (4) eligibility and needs of children with a disability are determined by an initial
553.13 evaluation or reevaluation, which may be completed using existing data under United
553.14 States Code, title 20, section 33, et seq.;

553.15 (5) to the maximum extent appropriate, children with a disability, including those
553.16 in public or private institutions or other care facilities, are educated with children who
553.17 are not disabled, and that special classes, separate schooling, or other removal of children
553.18 with a disability from the regular educational environment occurs only when and to the
553.19 extent that the nature or severity of the disability is such that education in regular classes
553.20 with the use of supplementary services cannot be achieved satisfactorily;

553.21 (6) in accordance with recognized professional standards, testing and evaluation
553.22 materials, and procedures used for the purposes of classification and placement of children
553.23 with a disability are selected and administered so as not to be racially or culturally
553.24 discriminatory; and

553.25 (7) the rights of the child are protected when the parents or guardians are not known
553.26 or not available, or the child is a ward of the state.

553.27 (c) For all paraprofessionals employed to work in programs whose role in part is
553.28 to provide direct support to students with disabilities, the school board in each district
553.29 shall ensure that:

553.30 (1) before or beginning at the time of employment, each paraprofessional must
553.31 develop sufficient knowledge and skills in emergency procedures, building orientation,
553.32 roles and responsibilities, confidentiality, vulnerability, and reportability, among other
553.33 things, to begin meeting the needs, especially disability-specific and behavioral needs, of
553.34 the students with whom the paraprofessional works;

553.35 (2) annual training opportunities are required to enable the paraprofessional to
553.36 continue to further develop the knowledge and skills that are specific to the students with

554.1 whom the paraprofessional works, including understanding disabilities, the unique and
554.2 individual needs of each student according to the student's disability and how the disability
554.3 affects the student's education and behavior, following lesson plans, and implementing
554.4 follow-up instructional procedures and activities; and

554.5 (3) a districtwide process obligates each paraprofessional to work under the ongoing
554.6 direction of a licensed teacher and, where appropriate and possible, the supervision of a
554.7 school nurse.

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

554.9 Sec. 5. Minnesota Statutes 2015 Supplement, section 125A.083, is amended to read:

554.10 **125A.083 STUDENT INFORMATION SYSTEMS; TRANSFERRING**
554.11 **RECORDS.**

554.12 (a) To efficiently and effectively meet federal and state compliance and
554.13 accountability requirements using an online case management reporting system, beginning
554.14 July 1, 2018, a school districts district may contract only for a student information system
554.15 that is Schools Interoperability Framework compliant ~~and compatible with the~~.

554.16 (b) Beginning on July 1 of the fiscal year following the year that the commissioner
554.17 of education certifies to the legislature under paragraph (c) that a compatible compliant
554.18 system exists, a school district must use an online system for compliance reporting
554.19 under section 125A.085 beginning in the 2018-2019 school year and later. A district's
554.20 information system under this section must facilitate the seamless transfer of student
554.21 records for a student with disabilities who transfers between school districts, including
554.22 records containing the student's evaluation report, service plan, and other due process
554.23 forms and information, regardless of what information system any one district uses.

554.24 (c) As a part of the annual report required under section 125A.085, paragraph (f), the
554.25 commissioner must specify whether a compatible compliant system exists and if so, list
554.26 each vendor's systems that meet the criteria in paragraph (b).

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

554.28 Sec. 6. Minnesota Statutes 2014, section 125A.091, subdivision 11, is amended to read:

554.29 Subd. 11. **Facilitated team meeting.** A facilitated team meeting is an IEP, IFSP, or
554.30 ~~HP~~ multiagency team meeting led by an impartial state-provided facilitator to promote
554.31 effective communication and assist a team in developing an individualized education
554.32 program.

555.1 Sec. 7. Minnesota Statutes 2015 Supplement, section 125A.0942, subdivision 3,
555.2 is amended to read:

555.3 Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be
555.4 used only in an emergency. A school that uses physical holding or seclusion shall meet the
555.5 following requirements:

555.6 (1) physical holding or seclusion is the least intrusive intervention that effectively
555.7 responds to the emergency;

555.8 (2) physical holding or seclusion is not used to discipline a noncompliant child;

555.9 (3) physical holding or seclusion ends when the threat of harm ends and the staff
555.10 determines the child can safely return to the classroom or activity;

555.11 (4) staff directly observes the child while physical holding or seclusion is being used;

555.12 (5) each time physical holding or seclusion is used, the staff person who implements
555.13 or oversees the physical holding or seclusion documents, as soon as possible after the
555.14 incident concludes, the following information:

555.15 (i) a description of the incident that led to the physical holding or seclusion;

555.16 (ii) why a less restrictive measure failed or was determined by staff to be
555.17 inappropriate or impractical;

555.18 (iii) the time the physical holding or seclusion began and the time the child was
555.19 released; and

555.20 (iv) a brief record of the child's behavioral and physical status;

555.21 (6) the room used for seclusion must:

555.22 (i) be at least six feet by five feet;

555.23 (ii) be well lit, well ventilated, adequately heated, and clean;

555.24 (iii) have a window that allows staff to directly observe a child in seclusion;

555.25 (iv) have tamperproof fixtures, electrical switches located immediately outside the
555.26 door, and secure ceilings;

555.27 (v) have doors that open out and are unlocked, locked with keyless locks that
555.28 have immediate release mechanisms, or locked with locks that have immediate release
555.29 mechanisms connected with a fire and emergency system; and

555.30 (vi) not contain objects that a child may use to injure the child or others; and

555.31 (7) before using a room for seclusion, a school must:

555.32 (i) receive written notice from local authorities that the room and the locking
555.33 mechanisms comply with applicable building, fire, and safety codes; and

555.34 (ii) register the room with the commissioner, who may view that room; and

555.35 ~~(8) until August 1, 2015, a school district may use prone restraints with children~~
555.36 ~~age five or older if:~~

556.1 (i) ~~the district has provided to the department a list of staff who have had specific~~
556.2 ~~training on the use of prone restraints;~~

556.3 (ii) ~~the district provides information on the type of training that was provided and~~
556.4 ~~by whom;~~

556.5 (iii) ~~only staff who received specific training use prone restraints;~~

556.6 (iv) ~~each incident of the use of prone restraints is reported to the department within~~
556.7 ~~five working days on a form provided by the department; and~~

556.8 (v) ~~the district, before using prone restraints, must review any known medical or~~
556.9 ~~psychological limitations that contraindicate the use of prone restraints.~~

556.10 The department must collect data on districts' use of prone restraints and publish the
556.11 data in a readily accessible format on the department's Web site on a quarterly basis.

556.12 (b) By February 1, 2015, and annually thereafter, stakeholders may, as necessary,
556.13 recommend to the commissioner specific and measurable implementation and outcome
556.14 goals for reducing the use of restrictive procedures and the commissioner must submit to
556.15 the legislature a report on districts' progress in reducing the use of restrictive procedures
556.16 that recommends how to further reduce these procedures and eliminate the use of
556.17 ~~prone restraints~~ seclusion. The statewide plan includes the following components:
556.18 measurable goals; the resources, training, technical assistance, mental health services,
556.19 and collaborative efforts needed to significantly reduce districts' use of ~~prone restraints~~
556.20 seclusion; and recommendations to clarify and improve the law governing districts' use
556.21 of restrictive procedures. The commissioner must consult with interested stakeholders
556.22 when preparing the report, including representatives of advocacy organizations, special
556.23 education directors, teachers, paraprofessionals, intermediate school districts, school
556.24 boards, day treatment providers, county social services, state human services department
556.25 staff, mental health professionals, and autism experts. ~~By June 30~~ Beginning with the
556.26 2016-2017 school year, in a form and manner determined by the commissioner, districts
556.27 must report data quarterly to the department by January 15, April 15, July 15, and October
556.28 15 about individual students who have been secluded. By July 15 each year, districts
556.29 must report summary data on their use of restrictive procedures to the department for
556.30 the prior school year, July 1 through June 30, in a form and manner determined by the
556.31 commissioner. The summary data must include information about the use of restrictive
556.32 procedures, including use of reasonable force under section 121A.582.

556.33 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
556.34 later.

556.35 Sec. 8. Minnesota Statutes 2014, section 125A.0942, subdivision 4, is amended to read:

557.1 Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:

557.2 (1) engaging in conduct prohibited under section 121A.58;

557.3 (2) requiring a child to assume and maintain a specified physical position, activity,
557.4 or posture that induces physical pain;

557.5 (3) totally or partially restricting a child's senses as punishment;

557.6 (4) presenting an intense sound, light, or other sensory stimuli using smell, taste,
557.7 substance, or spray as punishment;

557.8 (5) denying or restricting a child's access to equipment and devices such as walkers,
557.9 wheelchairs, hearing aids, and communication boards that facilitate the child's functioning,
557.10 except when temporarily removing the equipment or device is needed to prevent injury
557.11 to the child or others or serious damage to the equipment or device, in which case the
557.12 equipment or device shall be returned to the child as soon as possible;

557.13 (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or
557.14 physical abuse under section 626.556;

557.15 (7) withholding regularly scheduled meals or water;

557.16 (8) denying access to bathroom facilities; ~~and~~

557.17 (9) physical holding that restricts or impairs a child's ability to breathe, restricts or
557.18 impairs a child's ability to communicate distress, places pressure or weight on a child's
557.19 head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in
557.20 straddling a child's torso; and

557.21 (10) prone restraint.

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

557.23 Sec. 9. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1, is
557.24 amended to read:

557.25 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and
557.26 later, when a school district provides special instruction and services for a pupil with
557.27 a disability as defined in section 125A.02 outside the district of residence, excluding
557.28 a pupil for whom an adjustment to special education aid is calculated according to
557.29 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the
557.30 resident district must be reduced by an amount equal to (1) the actual cost of providing
557.31 special instruction and services to the pupil, including a proportionate amount for special
557.32 transportation ~~and unreimbursed building lease and debt service costs for facilities~~
557.33 ~~used primarily for special education~~, plus (2) the amount of general education revenue,
557.34 excluding local optional revenue, plus local optional aid and referendum equalization aid
557.35 attributable to that pupil, calculated using the resident district's average general education

558.1 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
 558.2 revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the
 558.3 amount of special education aid for children with a disability under section 125A.76
 558.4 received on behalf of that child, minus (4) if the pupil receives special instruction and
 558.5 services outside the regular classroom for more than 60 percent of the school day, the
 558.6 amount of general education revenue and referendum equalization aid, excluding portions
 558.7 attributable to district and school administration, district support services, operations and
 558.8 maintenance, capital expenditures, and pupil transportation, attributable to that pupil
 558.9 for the portion of time the pupil receives special instruction and services outside of the
 558.10 regular classroom, calculated using the resident district's average general education
 558.11 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
 558.12 revenue, elementary sparsity revenue and secondary sparsity revenue and the serving
 558.13 district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
 558.14 per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a
 558.15 cooperative unit without a fiscal agent school district, the general education revenue and
 558.16 referendum equalization aid attributable to a pupil must be calculated using the resident
 558.17 district's average general education revenue and referendum equalization aid excluding
 558.18 compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue.
 558.19 Special education aid paid to the district or cooperative providing special instruction and
 558.20 services for the pupil must be increased by the amount of the reduction in the aid paid
 558.21 to the resident district. ~~Amounts paid to cooperatives under this subdivision and section~~
 558.22 ~~127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on~~
 558.23 ~~the resident school district's books of account under sections 123B.75 and 123B.76.~~ If
 558.24 the resident district's special education aid is insufficient to make the full adjustment, the
 558.25 remaining adjustment shall be made to other state aid due to the district.

558.26 (b) Notwithstanding paragraph (a), when a charter school receiving special education
 558.27 aid under section 124E.21, subdivision 3, provides special instruction and services for
 558.28 a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
 558.29 adjustment to special education aid is calculated according to section 127A.46, subdivision
 558.30 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced
 558.31 by an amount equal to that calculated under paragraph (a) as if the charter school received
 558.32 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education
 558.33 aid paid to the charter school providing special instruction and services for the pupil must
 558.34 not be increased by the amount of the reduction in the aid paid to the resident district.

558.35 (c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs
 558.36 (b) to (d);

559.1 (1) an intermediate district or a special education cooperative may recover
559.2 unreimbursed costs of serving pupils with a disability, including building lease, debt
559.3 service, and indirect costs necessary for the general operation of the organization, by
559.4 billing membership fees and nonmember access fees to the resident district;

559.5 (2) a charter school where more than 30 percent of enrolled students receive special
559.6 education and related services, a site approved under section 125A.515, an intermediate
559.7 district, or a special education cooperative, or a school district that served as the applicant
559.8 agency for a group of school districts for federal special education aids for fiscal year 2006
559.9 may apply to the commissioner for authority to charge the resident district an additional
559.10 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

559.11 (3) the billing under clause (1) or application under clause (2) must include a
559.12 description of the costs and the calculations used to determine the unreimbursed portion to
559.13 be charged to the resident district. Amounts approved by the commissioner under this
559.14 paragraph clause (2) must be included in the tuition billings or aid adjustments under
559.15 paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

559.16 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph
559.17 (b), "general education revenue and referendum equalization aid" means the sum of the
559.18 general education revenue according to section 126C.10, subdivision 1, excluding the
559.19 local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the
559.20 referendum equalization aid according to section 126C.17, subdivision 7.

559.21 Sec. 10. Minnesota Statutes 2015 Supplement, section 125A.21, subdivision 3, is
559.22 amended to read:

559.23 Subd. 3. **Use of reimbursements.** ~~Of the reimbursements received, districts may~~
559.24 School districts must reserve third-party revenue and must spend the reimbursements
559.25 received only to:

559.26 (1) retain an amount sufficient to compensate the district for its administrative costs
559.27 of obtaining reimbursements;

559.28 (2) regularly obtain from education- and health-related entities training and other
559.29 appropriate technical assistance designed to improve the district's ability to access
559.30 third-party payments for individualized education program or individualized family
559.31 service plan health-related services; or

559.32 (3) reallocate reimbursements for the benefit of students with individualized
559.33 education programs or individualized family service plans in the district.

560.1 Sec. 11. Minnesota Statutes 2015 Supplement, section 125A.63, subdivision 4, is
560.2 amended to read:

560.3 Subd. 4. **Advisory committees.** (a) The commissioner shall establish advisory
560.4 committees for the deaf and hard-of-hearing and for the blind and visually impaired. The
560.5 advisory committees shall develop recommendations and submit an annual report to the
560.6 commissioner on the form and in the manner prescribed by the commissioner.

560.7 (b) The advisory committees for the deaf and hard of hearing and for the blind and
560.8 visually impaired shall meet periodically at least four times per year ~~and~~. The committees
560.9 must each review, approve, and submit an annual a biennial report to the commissioner,
560.10 the education policy and finance committees of the legislature, and the Commission of
560.11 Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. The reports must, at least:

560.12 (1) identify and report the aggregate, data-based education outcomes for children
560.13 with the primary disability classification of deaf and hard of hearing or of blind and
560.14 visually impaired, consistent with the commissioner's child count reporting practices, the
560.15 commissioner's state and local outcome data reporting system by district and region, and
560.16 the school performance report cards under section 120B.36, subdivision 1; and

560.17 (2) describe the implementation of a data-based plan for improving the education
560.18 outcomes of deaf and hard of hearing or blind and visually impaired children that is
560.19 premised on evidence-based best practices, and provide a cost estimate for ongoing
560.20 implementation of the plan.

560.21 Sec. 12. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c,
560.22 is amended to read:

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

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

560.30 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for
560.31 a school district must not exceed the sum of the special education aid the district would
560.32 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76
560.33 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and
560.34 127A.47, subdivision 7, and the product of the district's average daily membership served
560.35 and the special education aid increase limit.

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

561.9 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special
561.10 education aid for a school district, not including a charter school or cooperative unit as
561.11 defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal
561.12 special education expenditures for that fiscal year or (2) the product of the sum of the
561.13 special education aid the district would have received for fiscal year 2016 under Minnesota
561.14 Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes
561.15 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted
561.16 daily membership for the current fiscal year to the district's average daily membership for
561.17 fiscal year 2016, and the program growth factor.

561.18 (f) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first
561.19 year of operation shall generate special education aid based on current year data. A newly
561.20 formed cooperative unit as defined in section 123A.24 may apply to the commissioner
561.21 for approval to generate special education aid for its first year of operation based on
561.22 current year data, with an offsetting adjustment to the prior year data used to calculate aid
561.23 for programs at participating school districts or previous cooperatives that were replaced
561.24 by the new cooperative.

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

561.30 Sec. 13. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is
561.31 amended to read:

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

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

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

562.1 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section
562.2 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under
562.3 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
562.4 initial aid under section 125A.76, subdivision 2a; minus

562.5 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding
562.6 local optional revenue, plus local optional aid and referendum equalization aid for the
562.7 prior fiscal year attributable to pupils receiving special instruction and services outside the
562.8 regular classroom for more than 60 percent of the school day for the portion of time the
562.9 pupils receive special instruction and services outside the regular classroom, excluding
562.10 portions attributable to district and school administration, district support services,
562.11 operations and maintenance, capital expenditures, and pupil transportation.

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

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

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

562.15 (3) the amount of general education revenue, excluding local optional revenue, plus
562.16 local optional aid, and referendum equalization aid for the prior fiscal year attributable
562.17 to pupils receiving special instruction and services outside the regular classroom for
562.18 more than 60 percent of the school day for the portion of time the pupils receive special
562.19 instruction and services outside of the regular classroom, excluding portions attributable to
562.20 district and school administration, district support services, operations and maintenance,
562.21 capital expenditures, and pupil transportation.

562.22 (c) "General revenue" for a school district means the sum of the general education
562.23 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity
562.24 revenue, local optional revenue, and total operating capital revenue. "General revenue"
562.25 for a charter school means the sum of the general education revenue according to section
562.26 124E.20, subdivision 1, and transportation revenue according to section 124E.23,
562.27 excluding referendum equalization aid, transportation sparsity revenue, and operating
562.28 capital revenue.

562.29 Sec. 14. Minnesota Statutes 2015 Supplement, section 127A.47, subdivision 7, is
562.30 amended to read:

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

563.1 (b) For purposes of this subdivision, the "unreimbursed cost of providing special
563.2 education and services" means the difference between: (1) the actual cost of providing
563.3 special instruction and services, including special transportation and unreimbursed
563.4 building lease and debt service costs for facilities used primarily for special education, for
563.5 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section
563.6 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil
563.7 receives special instruction and services outside the regular classroom for more than
563.8 60 percent of the school day, the amount of general education revenue, excluding local
563.9 optional revenue, plus local optional aid and referendum equalization aid as defined in
563.10 section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of
563.11 time the pupil receives special instruction and services outside of the regular classroom,
563.12 excluding portions attributable to district and school administration, district support
563.13 services, operations and maintenance, capital expenditures, and pupil transportation,
563.14 minus (3) special education aid under section 125A.76 attributable to that pupil, that is
563.15 received by the district providing special instruction and services. For purposes of this
563.16 paragraph, general education revenue and referendum equalization aid attributable to a
563.17 pupil must be calculated using the serving district's average general education revenue
563.18 and referendum equalization aid per adjusted pupil unit.

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

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

563.27 (e) Notwithstanding paragraph (c), special education aid paid to a resident district
563.28 must be reduced under paragraph (d) for students at a charter school receiving special
563.29 education aid under section 124E.21, subdivision 3, calculated as if the charter school
563.30 received special education aid under section 124E.21, subdivision 1.

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

564.1 (g) Notwithstanding paragraph (a), general education aid paid to the resident district
 564.2 of a nonspecial education student for whom an eligible special education charter school
 564.3 receives general education aid under section 124E.20, subdivision 1, paragraph (c), must
 564.4 be reduced by an amount equal to the difference between the general education aid
 564.5 attributable to the student under section 124E.20, subdivision 1, paragraph (c), and the
 564.6 general education aid that the student would have generated for the charter school under
 564.7 section 124E.20, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial
 564.8 education student" means a student who does not meet the definition of pupil with a
 564.9 disability as defined in section 125A.02 or the definition of a pupil in section 125A.51.

564.10 (h) An area learning center operated by a service cooperative, intermediate district,
 564.11 education district, or a joint powers cooperative may elect through the action of the
 564.12 constituent boards to charge the resident district tuition for pupils rather than to have the
 564.13 general education revenue paid to a fiscal agent school district. Except as provided in
 564.14 paragraph (f), the district of residence must pay tuition equal to at least 90 and no more
 564.15 than 100 percent of the district average general education revenue per pupil unit minus
 564.16 an amount equal to the product of the formula allowance according to section 126C.10,
 564.17 subdivision 2, times .0466, calculated without compensatory revenue, local optional
 564.18 revenue, and transportation sparsity revenue, times the number of pupil units for pupils
 564.19 attending the area learning center.

564.20 Sec. 15. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision
 564.21 2, is amended to read:

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

564.24	1,170,929,000		
564.25	\$ <u>1,183,619,000</u>	.....	2016
564.26	1,229,706,000		
564.27	\$ <u>1,247,107,000</u>	.....	2017

564.28 The 2016 appropriation includes \$137,932,000 for 2015 and ~~\$1,032,997,000~~
 564.29 \$1,045,687,000 for 2016.

564.30 The 2017 appropriation includes ~~\$145,355,000~~ \$147,202,000 for 2016 and
 564.31 ~~\$1,084,351,000~~ \$1,099,905,000 for 2017.

564.32 Sec. 16. **REDUCING STATE-GENERATED SPECIAL EDUCATION**
 564.33 **PAPERWORK.**

564.34 Notwithstanding other law to the contrary in fiscal years 2017 and 2018, the
 564.35 commissioner of education must use existing budgetary resources to identify and remove

565.1 25 percent of the paperwork burden on Minnesota special education teachers that results
565.2 from state but not federally mandated special education compliance reporting requirements.

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

565.4 Sec. 17. **APPROPRIATION CANCELED.**

565.5 \$1,686,000 on June 30, 2016, is transferred from the information and
565.6 telecommunications technology systems and services account under Minnesota Statutes,
565.7 section 16E.21, to the general fund. This represents the amount the Department of
565.8 Education transferred to that account in fiscal year 2015 after determining that the special
565.9 education paperwork reduction activities authorized in an appropriation under Laws 2013,
565.10 chapter 116, article 5, section 31, subdivision 8, were not feasible based on a onetime
565.11 appropriation.

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

565.13 **ARTICLE 30**

565.14 **FACILITIES AND TECHNOLOGY**

565.15 Section 1. Minnesota Statutes 2014, section 123B.52, subdivision 1, is amended to read:

565.16 Subdivision 1. **Contracts.** A contract for work or labor, or for the purchase of
565.17 furniture, fixtures, or other property, except books registered under the copyright laws and
565.18 information systems software, or for the construction or repair of school houses, the
565.19 estimated cost or value of which shall exceed that specified in section 471.345, subdivision
565.20 3, must not be made by the school board without first advertising for bids or proposals by
565.21 two weeks' published notice in the official newspaper. This notice must state the time and
565.22 place of receiving bids and contain a brief description of the subject matter.

565.23 Additional publication in the official newspaper or elsewhere may be made as the
565.24 board shall deem necessary.

565.25 After taking into consideration conformity with the specifications, terms of delivery,
565.26 and other conditions imposed in the call for bids, every such contract for which a call for
565.27 bids has been issued must be awarded to the lowest responsible bidder, be duly executed
565.28 in writing, and be otherwise conditioned as required by law. The person to whom the
565.29 contract is awarded shall give a sufficient bond to the board for its faithful performance.
565.30 Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to the
565.31 purchase of a finished tangible product, a board may require, at its discretion, a performance
565.32 bond of a contractor in the amount the board considers necessary. A record must be kept of
565.33 all bids, with names of bidders and amount of bids, and with the successful bid indicated

566.1 thereon. A bid containing an alteration or erasure of any price contained in the bid which
566.2 is used in determining the lowest responsible bid must be rejected unless the alteration or
566.3 erasure is corrected as provided in this section. An alteration or erasure may be crossed out
566.4 and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink
566.5 by the person signing the bid. In the case of identical low bids from two or more bidders,
566.6 the board may, at its discretion, utilize negotiated procurement methods with the tied low
566.7 bidders for that particular transaction, so long as the price paid does not exceed the low tied
566.8 bid price. In the case where only a single bid is received, the board may, at its discretion,
566.9 negotiate a mutually agreeable contract with the bidder so long as the price paid does not
566.10 exceed the original bid. If no satisfactory bid is received, the board may readvertise.
566.11 Standard requirement price contracts established for supplies or services to be purchased
566.12 by the district must be established by competitive bids. Such standard requirement price
566.13 contracts may contain escalation clauses and may provide for a negotiated price increase
566.14 or decrease based upon a demonstrable industrywide or regional increase or decrease in
566.15 the vendor's costs. Either party to the contract may request that the other party demonstrate
566.16 such increase or decrease. The term of such contracts must not exceed two years with an
566.17 option on the part of the district to renew for an additional two years. Contracts for the
566.18 purchase of perishable food items, except milk for school lunches and vocational training
566.19 programs, in any amount may be made by direct negotiation by obtaining two or more
566.20 written quotations for the purchase or sale, when possible, without advertising for bids or
566.21 otherwise complying with the requirements of this section or section 471.345, subdivision
566.22 3. All quotations obtained shall be kept on file for a period of at least one year after receipt.

566.23 Every contract made without compliance with the provisions of this section shall be
566.24 void. Except in the case of the destruction of buildings or injury thereto, where the public
566.25 interest would suffer by delay, contracts for repairs may be made without advertising
566.26 for bids.

566.27 Sec. 2. Minnesota Statutes 2015 Supplement, section 123B.53, subdivision 1, is
566.28 amended to read:

566.29 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
566.30 revenue of a district is defined as follows:

566.31 (1) the amount needed to produce between five and six percent in excess of the
566.32 amount needed to meet when due the principal and interest payments on the obligations
566.33 of the district for eligible projects according to subdivision 2, including the amounts
566.34 necessary for repayment of ~~energy loans according to section 216C.37 or sections 298.292~~
566.35 ~~to 298.298~~, debt service loans, capital loans, and lease purchase payments under section

567.1 126C.40, subdivision 2, excluding long-term facilities maintenance levies under section
567.2 123B.595, minus

567.3 (2) the amount of debt service excess levy reduction for that school year calculated
567.4 according to the procedure established by the commissioner.

567.5 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

567.6 (1) obligations under section 123B.61;

567.7 (2) the part of debt service principal and interest paid from the taconite environmental
567.8 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of
567.9 taconite payments from the Iron Range school consolidation and cooperatively operated
567.10 school account under section 298.28, subdivision 7a;

567.11 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as
567.12 amended by Laws 1992, chapter 499, article 5, section 24;

567.13 (4) obligations under section 123B.62; and

567.14 (5) obligations equalized under section 123B.535.

567.15 (c) For purposes of this section, if a preexisting school district reorganized under
567.16 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement
567.17 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt
567.18 service equalization aid must be computed separately for each of the preexisting districts.

567.19 (d) For purposes of this section, the adjusted net tax capacity determined according
567.20 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
567.21 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

567.22 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
567.23 later.

567.24 Sec. 3. Minnesota Statutes 2014, section 123B.53, subdivision 5, is amended to read:

567.25 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a
567.26 district equals the sum of the first tier equalized debt service levy and the second tier
567.27 equalized debt service levy.

567.28 (b) A district's first tier equalized debt service levy equals the district's first tier debt
567.29 service equalization revenue times the lesser of one or the ratio of:

567.30 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
567.31 the year before the year the levy is certified by the adjusted pupil units in the district for
567.32 the school year ending in the year prior to the year the levy is certified; to

567.33 (2) \$3,400 in fiscal year 2016 ~~and~~, \$4,430 in fiscal year 2017, and the greater of
567.34 \$4,430 or 55.33 percent of the initial equalizing factor in fiscal year 2018 and later.

568.1 (c) A district's second tier equalized debt service levy equals the district's second tier
568.2 debt service equalization revenue times the lesser of one or the ratio of:

568.3 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
568.4 the year before the year the levy is certified by the adjusted pupil units in the district for
568.5 the school year ending in the year prior to the year the levy is certified; to

568.6 (2) \$8,000 in fiscal years 2016 and 2017, and the greater of \$8,000 or 100 percent of
568.7 the initial equalizing factor in fiscal year 2018 and later.

568.8 (d) For the purposes of this subdivision, the initial equalizing factor equals the
568.9 quotient derived by dividing the total adjusted net tax capacity of all school districts in the
568.10 state for the year before the year the levy is certified by the total number of adjusted pupil
568.11 units in all school districts in the state in the year before the year the levy is certified.

568.12 Sec. 4. Minnesota Statutes 2014, section 123B.571, subdivision 2, is amended to read:

568.13 Subd. 2. **Radon testing.** A school district may include radon testing as a part of
568.14 its ~~health and safety~~ ten-year facility plan under section 123B.595, subdivision 4. If a
568.15 school district receives authority to use ~~health and safety~~ long-term facilities maintenance
568.16 revenue to conduct radon testing, the district shall conduct the testing according to the
568.17 radon testing plan developed by the commissioners of health and education.

568.18 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
568.19 later.

568.20 Sec. 5. **[123B.572] SOLAR PANEL FIRE SAFETY.**

568.21 A solar photovoltaic system installed at a school must comply with chapter 690 of
568.22 the most current edition of NFPA 70, the National Electrical Code, adopted under the
568.23 authority given in section 326B.32, subdivision 2.

568.24 Sec. 6. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 1, is
568.25 amended to read:

568.26 Subdivision 1. **Long-term facilities maintenance revenue.** (a) For fiscal year
568.27 2017 only, long-term facilities maintenance revenue equals the greater of (1) the sum of
568.28 (i) \$193 times the district's adjusted pupil units times the lesser of one or the ratio of the
568.29 district's average building age to 35 years, plus the cost approved by the commissioner
568.30 for indoor air quality, fire alarm and suppression, and asbestos abatement projects under
568.31 section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site,
568.32 plus (ii) for a school district with an approved voluntary prekindergarten program under
568.33 section 124D.151, the cost approved by the commissioner for remodeling existing

569.1 instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the
569.2 amount the district would have qualified for under Minnesota Statutes 2014, section
569.3 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section
569.4 123B.591-, and (ii) for a school district with an approved voluntary prekindergarten
569.5 program under section 124D.151, the cost approved by the commissioner for remodeling
569.6 existing instructional space to accommodate prekindergarten instruction.

569.7 (b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the
569.8 greater of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser
569.9 of one or the ratio of the district's average building age to 35 years, plus (ii) the cost
569.10 approved by the commissioner for indoor air quality, fire alarm and suppression, and
569.11 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost
569.12 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary
569.13 prekindergarten program under section 124D.151, the cost approved by the commissioner
569.14 for remodeling existing instructional space to accommodate prekindergarten instruction,
569.15 or (2) the sum of (i) the amount the district would have qualified for under Minnesota
569.16 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota
569.17 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary
569.18 prekindergarten program under section 124D.151, the cost approved by the commissioner
569.19 for remodeling existing instructional space to accommodate prekindergarten instruction.

569.20 (c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals
569.21 the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the
569.22 lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost
569.23 approved by the commissioner for indoor air quality, fire alarm and suppression, and
569.24 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost
569.25 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary
569.26 prekindergarten program under section 124D.151, the cost approved by the commissioner
569.27 for remodeling existing instructional space to accommodate prekindergarten instruction,
569.28 or (2) the sum of (i) the amount the district would have qualified for under Minnesota
569.29 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota
569.30 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary
569.31 prekindergarten program under section 124D.151, the cost approved by the commissioner
569.32 for remodeling existing instructional space to accommodate prekindergarten instruction.

569.33 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
569.34 later.

570.1 Sec. 7. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 4, is
570.2 amended to read:

570.3 Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school
570.4 district or intermediate district, not including a charter school, must have a ten-year facility
570.5 plan adopted by the school board and approved by the commissioner. The plan must include
570.6 provisions for implementing a health and safety program that complies with health, safety,
570.7 and environmental regulations and best practices, including indoor air quality management.

570.8 (b) The district must annually update the plan, ~~biennially~~ submit a ~~facility~~
570.9 ~~maintenance~~ the plan to the commissioner for approval by July 31, and indicate whether
570.10 the district will issue bonds to finance the plan or levy for the costs.

570.11 (c) For school districts issuing bonds to finance the plan, the plan must include a
570.12 debt service schedule demonstrating that the debt service revenue required to pay the
570.13 principal and interest on the bonds each year will not exceed the projected long-term
570.14 facilities revenue for that year.

570.15 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
570.16 later.

570.17 Sec. 8. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 7, is
570.18 amended to read:

570.19 Subd. 7. **Long-term facilities maintenance equalization revenue.** (a) For fiscal
570.20 year 2017 only, a district's long-term facilities maintenance equalization revenue equals
570.21 the lesser of (1) \$193 times the adjusted pupil units or (2) the district's revenue under
570.22 subdivision 1.

570.23 (b) For fiscal year 2018 only, a district's long-term facilities maintenance
570.24 equalization revenue equals the lesser of (1) \$292 times the adjusted pupil units or (2)
570.25 the district's revenue under subdivision 1.

570.26 (c) For fiscal year 2019 and later, a district's long-term facilities maintenance
570.27 equalization revenue equals the lesser of (1) \$380 times the adjusted pupil units or (2)
570.28 the district's revenue under subdivision 1.

570.29 (d) Notwithstanding paragraphs (a) to (c), a district's long-term facilities maintenance
570.30 equalization revenue must not be less than the lesser of the district's long-term facilities
570.31 maintenance revenue or the amount of aid the district received for fiscal year 2015 under
570.32 section 123B.59, subdivision 6.

570.33 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
570.34 later.

571.1 Sec. 9. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 8, is
571.2 amended to read:

571.3 Subd. 8. **Long-term facilities maintenance equalized levy.** (a) For fiscal year 2017
571.4 and later, a district's long-term facilities maintenance equalized levy equals the district's
571.5 long-term facilities maintenance equalization revenue minus the greater of:

571.6 (1) the lesser of the district's long-term facilities maintenance equalization revenue
571.7 or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes
571.8 2014, section 123B.59, subdivision 6; or

571.9 (2) the district's long-term facilities maintenance equalization revenue times the
571.10 greater of (i) zero or (ii) one minus the ratio of its adjusted net tax capacity per adjusted
571.11 pupil unit in the year preceding the year the levy is certified to 123 percent of the state
571.12 average adjusted net tax capacity per adjusted pupil unit for all school districts in the
571.13 year preceding the year the levy is certified.

571.14 (b) For purposes of this subdivision, "adjusted net tax capacity" means the value
571.15 described in section 126C.01, subdivision 2, paragraph (b).

571.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
571.17 later.

571.18 Sec. 10. Minnesota Statutes 2015 Supplement, section 123B.595, is amended by
571.19 adding a subdivision to read:

571.20 Subd. 8a. **Long-term facilities maintenance unequalized levy.** For fiscal year
571.21 2017 and later, a district's long-term facilities maintenance unequalized levy equals the
571.22 difference between the district's revenue under subdivision 1 and the district's equalization
571.23 revenue under subdivision 7.

571.24 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
571.25 later.

571.26 Sec. 11. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 9,
571.27 is amended to read:

571.28 Subd. 9. **Long-term facilities maintenance equalized aid.** For fiscal year 2017
571.29 and later, a district's long-term facilities maintenance equalized aid equals its long-term
571.30 facilities maintenance equalization revenue minus its long-term facilities maintenance
571.31 equalized levy times the ratio of the actual equalized amount levied to the permitted
571.32 equalized levy.

572.1 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
572.2 later.

572.3 Sec. 12. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 10,
572.4 is amended to read:

572.5 Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A
572.6 district may use revenue under this section for any of the following:

572.7 (1) deferred capital expenditures and maintenance projects necessary to prevent
572.8 further erosion of facilities;

572.9 (2) increasing accessibility of school facilities; ~~or~~

572.10 (3) health and safety capital projects under section 123B.57; or

572.11 (4) by board resolution, to transfer money from the general fund reserve for long-term
572.12 facilities maintenance to the debt redemption fund to pay the amounts needed to meet,
572.13 when due, principal and interest on general obligation bonds issued under subdivision 5.

572.14 (b) A charter school may use revenue under this section for any purpose related
572.15 to the school.

572.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
572.17 later.

572.18 Sec. 13. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11,
572.19 is amended to read:

572.20 Subd. 11. **Restrictions on long-term facilities maintenance revenue.**

572.21 Notwithstanding subdivision ~~11~~ 10, long-term facilities maintenance revenue may not
572.22 be used:

572.23 (1) for the construction of new facilities, remodeling of existing facilities, or the
572.24 purchase of portable classrooms;

572.25 (2) to finance a lease purchase agreement, installment purchase agreement, or other
572.26 deferred payments agreement;

572.27 (3) for energy-efficiency projects under section 123B.65, for a building or property
572.28 or part of a building or property used for postsecondary instruction or administration, or
572.29 for a purpose unrelated to elementary and secondary education; or

572.30 (4) for violence prevention and facility security, ergonomics, or emergency
572.31 communication devices.

572.32 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
572.33 later.

573.1 Sec. 14. Minnesota Statutes 2014, section 123B.60, subdivision 1, is amended to read:

573.2 Subdivision 1. **Bonds.** When a building owned by a district is substantially damaged
573.3 by an act of God or other means beyond the control of the district, the district may issue
573.4 general obligation bonds without an election to provide money immediately to carry
573.5 out its adopted ~~health and safety~~ long-term facilities maintenance program. Each year
573.6 the district must pledge an attributable share of its ~~health and safety~~ long-term facilities
573.7 maintenance revenue to the repayment of principal and interest on the bonds. The pledged
573.8 revenue must be ~~transferred to~~ recognized in the debt redemption fund of the district. The
573.9 district must submit to the department the repayment schedule for any bonds issued under
573.10 this section. The district must deposit in the debt redemption fund all proceeds received
573.11 for specific costs for which the bonds were issued, including but not limited to:

- 573.12 (1) insurance proceeds;
573.13 (2) restitution proceeds; and
573.14 (3) proceeds of litigation or settlement of a lawsuit.

573.15 Before bonds are issued, the district must submit ~~a combined~~ an amended
573.16 application to the commissioner for ~~health and safety~~ long-term facilities maintenance
573.17 revenue, according to section ~~123B.57~~, and requesting review and comment, according
573.18 ~~to section 123B.71~~, subdivisions 8, 9, 11, and 12 123B.595. The commissioner shall
573.19 complete all procedures concerning the combined application within 20 days of receiving
573.20 the application. The publication provisions of section 123B.71, subdivision 12, do not
573.21 apply to bonds issued under this section.

573.22 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
573.23 later.

573.24 Sec. 15. Minnesota Statutes 2014, section 123B.71, subdivision 8, is amended to read:

573.25 Subd. 8. **Review and comment.** A school district, a special education cooperative,
573.26 or a cooperative unit of government, as defined in section 123A.24, subdivision 2,
573.27 must not initiate an installment contract for purchase or a lease agreement, hold a
573.28 referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of
573.29 an educational facility that requires an expenditure in excess of \$500,000 per school site if
573.30 it has a capital loan outstanding, or \$2,000,000 per school site if it does not have a capital
573.31 loan outstanding, prior to review and comment by the commissioner. A facility addition,
573.32 maintenance project, or remodeling project funded only with general education revenue,
573.33 ~~deferred maintenance revenue, alternative facilities bonding and levy program revenue,~~
573.34 lease levy proceeds, capital facilities bond proceeds, or ~~health and safety~~ long-term
573.35 facilities maintenance revenue is exempt from this provision. A capital project under

574.1 section 123B.63 addressing only technology is exempt from this provision if the district
574.2 submits a school board resolution stating that funds approved by the voters will be used
574.3 only as authorized in section 126C.10, subdivision 14. A school board shall not separate
574.4 portions of a single project into components to avoid the requirements of this subdivision.

574.5 **EFFECTIVE DATE.** This section is effective the day following final enactment
574.6 and applies to review and comments for projects funded with revenue for fiscal year
574.7 2017 and later.

574.8 Sec. 16. Minnesota Statutes 2014, section 123B.79, subdivision 5, is amended to read:

574.9 Subd. 5. **Deficits; exception.** For the purposes of this section, a permanent transfer
574.10 includes creating a deficit in a nonoperating fund for a period past the end of the current
574.11 fiscal year which is covered by moneys in an operating fund. ~~However,~~ A deficit in the
574.12 ~~capital expenditure fund~~ reserve for operating capital account pursuant to section 123B.78,
574.13 subdivision 5, does not constitute a permanent transfer.

574.14 Sec. 17. Minnesota Statutes 2014, section 123B.79, subdivision 8, is amended to read:

574.15 Subd. 8. **Account transfer for reorganizing districts.** A district that has
574.16 reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has
574.17 conducted a successful referendum on the question of combination under section
574.18 123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has
574.19 been assigned an identification number by the commissioner under section 123A.48,
574.20 subdivision 16, may make permanent transfers between any of the funds or accounts in
574.21 the newly created or enlarged district with the exception of the debt redemption fund,
574.22 building construction fund, food service fund, and health and safety long-term facilities
574.23 maintenance account of the ~~capital expenditure~~ general fund. Fund transfers under this
574.24 section may be made for up to one year prior to the effective date of combination or
574.25 consolidation by the consolidating boards and during the year following the effective date
574.26 of reorganization by the consolidated board. The newly formed board of the combined
574.27 district may adopt a resolution on or before August 30 of the year of the reorganization
574.28 authorizing a transfer among accounts or funds of the previous independent school
574.29 districts which transfer or transfers shall be reported in the affected districts' audited
574.30 financial statements for the year immediately preceding the consolidation.

574.31 Sec. 18. Minnesota Statutes 2014, section 123B.79, subdivision 9, is amended to read:

574.32 Subd. 9. **Elimination of reserve accounts.** ~~A school board shall eliminate all~~
574.33 ~~reserve accounts established in the school district's general fund under Minnesota Statutes~~

575.1 ~~before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007.~~
575.2 Any balance in the district's reserved ~~for bus purchases account~~ for deferred maintenance
575.3 as of June 30, ~~2007~~ 2016, shall be transferred to the reserved account for ~~operating capital~~
575.4 long-term facilities maintenance in the school district's general fund. ~~Any balance in~~
575.5 ~~other reserved accounts established in the school district's general fund under Minnesota~~
575.6 ~~Statutes before July 1, 2006, for which no specific authority remains in statute as of June~~
575.7 ~~30, 2007, shall be transferred to the school district's unreserved general fund balance.~~
575.8 ~~A school board may, upon adoption of a resolution by the school board, establish a~~
575.9 ~~designated account for any program for which a reserved account has been eliminated.~~
575.10 Any balance in the district's reserved account for health and safety as of June 30, 2019,
575.11 shall be transferred to the unassigned fund balance account in the district's general fund.
575.12 Any balance in the district's reserved account for alternative facilities as of June 30, 2016,
575.13 shall be transferred to the reserved account for long-term facilities maintenance in the
575.14 district's building construction fund.

575.15 **EFFECTIVE DATE.** This section is effective July 1, 2016, for fiscal year 2017
575.16 and later.

575.17 Sec. 19. Minnesota Statutes 2014, section 126C.40, subdivision 5, is amended to read:

575.18 Subd. 5. **Energy conservation.** ~~For loans approved before March 1, 1998, the~~
575.19 ~~district may annually include as revenue under section 123B.53, without the approval of a~~
575.20 ~~majority of the voters in the district, an amount sufficient to repay the annual principal and~~
575.21 ~~interest of the loan made pursuant to sections 216C.37 and 298.292 to 298.298. For energy~~
575.22 loans approved after March 1, 1998, under sections 216C.37 and 298.292 to 298.298,
575.23 school districts must annually transfer from the general fund to the debt redemption fund
575.24 the amount sufficient to pay interest and principal on the loans.

575.25 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
575.26 later.

575.27 Sec. 20. Minnesota Statutes 2015 Supplement, section 126C.48, subdivision 8, is
575.28 amended to read:

575.29 Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies
575.30 pursuant to subdivision 1 must be made prior to the reductions in clause (2).

575.31 (2) Notwithstanding any other law to the contrary, districts that have revenue
575.32 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed
575.33 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to

576.1 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed
 576.2 mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A,
 576.3 123A, 123B, 124A, 124D, 125A, and 127A, excluding the student achievement levy
 576.4 under section 126C.13, subdivision 3b, by 95 percent of the sum of the previous year's
 576.5 revenue specified under this clause and the amount attributable to the same production
 576.6 year distributed to the cities and townships within the school district under section 298.28,
 576.7 subdivision 2, paragraph (c).

576.8 (3) The amount of any voter approved referendum, facilities down payment, and
 576.9 debt levies shall not be reduced by more than 50 percent under this subdivision, except
 576.10 that payments under section 298.28, subdivision 7a, may reduce the debt service levy by
 576.11 more than 50 percent. In administering this paragraph, the commissioner shall first reduce
 576.12 the nonvoter approved levies of a district; then, if any payments, severed mineral value
 576.13 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
 576.14 reduce any voter approved referendum levies authorized under section 126C.17; then, if
 576.15 any payments, severed mineral value tax revenue or recognized revenue under paragraph
 576.16 (2) remains, the commissioner shall reduce any voter approved facilities down payment
 576.17 levies authorized under section 123B.63 and then, if any payments, severed mineral value
 576.18 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
 576.19 reduce any voter approved debt levies.

576.20 (4) Before computing the reduction pursuant to this subdivision of the ~~health and~~
 576.21 ~~safety long-term facilities maintenance~~ levy authorized by sections ~~123B.57 and 126C.40,~~
 576.22 ~~subdivision 5~~ section 123B.595, the commissioner shall ascertain from each affected
 576.23 school district the amount it proposes to levy ~~under each section or subdivision~~. The
 576.24 reduction shall be computed on the basis of the amount so ascertained.

576.25 (5) To the extent the levy reduction calculated under paragraph (2) exceeds the
 576.26 limitation in paragraph (3), an amount equal to the excess must be distributed from the
 576.27 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following
 576.28 year to the cities and townships within the school district in the proportion that their
 576.29 taxable net tax capacity within the school district bears to the taxable net tax capacity of
 576.30 the school district for property taxes payable in the year prior to distribution. No city or
 576.31 township shall receive a distribution greater than its levy for taxes payable in the year prior
 576.32 to distribution. The commissioner of revenue shall certify the distributions of cities and
 576.33 towns under this paragraph to the county auditor by September 30 of the year preceding
 576.34 distribution. The county auditor shall reduce the proposed and final levies of cities and
 576.35 towns receiving distributions by the amount of their distribution. Distributions to the cities
 576.36 and towns shall be made at the times provided under section 298.27.

577.1 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
577.2 later.

577.3 Sec. 21. Minnesota Statutes 2014, section 126C.63, subdivision 7, is amended to read:

577.4 Subd. 7. **Required debt service levy.** "Required debt service levy" means the total
577.5 dollar amount needed to be included in the taxes levied by the district in any year for
577.6 payment of interest and principal falling due on its debts prior to collection of the next
577.7 ensuing year's debt service levy excluding levies for bonds issued after the later of (1)
577.8 November 30, 2016, or (2) three years after the date of the district's receipt of a capital
577.9 loan from the state, and excluding the debt service levy for obligations under sections
577.10 123B.595, 123B.61, and 123B.62.

577.11 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
577.12 later.

577.13 Sec. 22. Laws 2011, First Special Session chapter 11, article 4, section 8, is amended to
577.14 read:

577.15 Sec. 8. **EARLY REPAYMENT.**

577.16 (a) A school district that received a maximum effort capital loan prior to January
577.17 1, 1997, may repay the full outstanding original principal on its capital loan prior to
577.18 July 1, 2012, and the liability of the district on the loan is satisfied and discharged and
577.19 interest on the loan ceases.

577.20 (b) A school district with an outstanding capital loan balance that received a
577.21 maximum effort capital loan prior to January 1, 2007, may repay to the commissioner of
577.22 education by November 30, 2016, the full outstanding original principal on its capital
577.23 loan and the liability of the district on the loan is satisfied and discharged and interest
577.24 on the loan ceases.

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

577.26 Sec. 23. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
577.27 2, is amended to read:

577.28 Subd. 2. **Long-term maintenance equalization aid.** For long-term maintenance
577.29 equalization aid under Minnesota Statutes, section 123B.595:

577.30	\$	0	.....	2016
577.31		52,088,000		
577.32	\$	<u>52,844,000</u>	.....	2017

578.1 The 2017 appropriation includes \$0 for 2016 and ~~\$52,088,000~~ \$52,844,000 for 2017.

578.2 Sec. 24. **INTERNET BROADBAND EXPANSION FOR STUDENTS;**
578.3 **INNOVATIVE GRANTS.**

578.4 Subdivision 1. **Broadband Wi-Fi hot spots.** (a) A school district is eligible for a
578.5 broadband hot spot grant not to exceed \$50,000 to support wireless off-campus learning
578.6 through a student's use of a data card, USB modem, or other mobile broadband device
578.7 that enables the student to access learning materials available on the Internet through a
578.8 mobile broadband connection. A district's application for a grant under this subdivision
578.9 must describe its approach for identifying and prioritizing access for low-income students
578.10 and others otherwise unable to access the Internet and may include a description of local
578.11 or private matching grants or in-kind contributions.

578.12 (b) When evaluating applications, the commissioner may give priority to grant
578.13 applications that include local in-kind contributions. To the extent practicable, the
578.14 commissioner must distribute the grants to districts located throughout the state including
578.15 in urban areas, suburban areas, and in greater Minnesota.

578.16 (c) A school district may develop its application in cooperation with its community
578.17 education department, its adult basic education program provider, a public library, or
578.18 other community partner.

578.19 (d) A school district that qualifies for general education transportation sparsity
578.20 revenue under Minnesota Statutes, section 126C.10, may apply to the commissioner of
578.21 education for a school bus Internet access grant as a part of its grant application under
578.22 paragraph (a). The commissioner of education must prioritize grants to districts with the
578.23 longest bus routes. A school district that receives a grant under this subdivision may use
578.24 the grant to purchase or lease equipment designed to make Internet access available on
578.25 school buses, including routers and mobile Wi-Fi hot spots to connect to the Internet, and
578.26 may also purchase or lease one-to-one devices for students. The one-to-one devices may
578.27 be connected to the Internet through the Wi-Fi hot spot or otherwise contain content
578.28 for age-appropriate, self-directed learning.

578.29 Subd. 2. **Internet access for students.** Consistent with Minnesota Statutes, section
578.30 125B.15, all grant applications submitted under this section must demonstrate to the
578.31 commissioner's satisfaction that the Internet access provided through the grant proceeds
578.32 will include filtering technology or other effective methods to limit student access to
578.33 material that is reasonably believed to be obscene, child pornography, or material harmful
578.34 to minors under federal or state law.

579.1 Sec. 25. APPROPRIATIONS.

579.2 Subdivision 1. Department of Education. The sums indicated in this section are
579.3 appropriated from the general fund to the commissioner of education for the fiscal years
579.4 designated.

579.5 Subd. 2. Broadband expansion grants. For broadband expansion grants:

579.6 \$ 500,000 2017

579.7 This is a onetime appropriation. This appropriation is available until June 30, 2019.

579.8 Subd. 5. Early repayment aid incentive. (a) For incentive grants for a district that
579.9 repays the full outstanding original principal on its capital loan by November 30, 2016,
579.10 under Laws 2011, First Special Session chapter 11, article 4, section 8, as amended by
579.11 this act:

579.12 \$ 2,200,000 2017

579.13 (b) Of this amount, \$180,000 is for a grant to Independent School District No. 95,
579.14 Cromwell; \$495,000 is for a grant to Independent School District No. 299, Caledonia;
579.15 \$220,000 is for a grant to Independent School District No. 306, Laporte; \$150,000 is for
579.16 a grant to Independent School District No. 362, Littlefork; \$650,000 is for a grant to
579.17 Independent School District No. 682, Roseau; and \$505,000 is for a grant to Independent
579.18 School District No. 2580, East Central.

579.19 (c) The grant may be used for any school-related purpose.

579.20 (d) The base appropriation for 2022 is zero.

579.21 Sec. 26. REPEALER.

579.22 Minnesota Statutes 2014, sections 123B.60, subdivision 2; and 123B.79,
579.23 subdivisions 2 and 6, are repealed for fiscal year 2017 and later.

579.24 **ARTICLE 31**

579.25 **EARLY CHILDHOOD EDUCATION**

579.26 Section 1. Minnesota Statutes 2014, section 124D.135, subdivision 6, is amended to
579.27 read:

579.28 Subd. 6. Home visiting levy revenue. (a) A district that is eligible to levy for
579.29 early childhood family education under subdivision 3 and that enters into a collaborative
579.30 agreement to provide education services and social services to families with young
579.31 children ~~may levy an amount equal to \$1.60~~ is eligible for home visiting revenue.

580.1 (b) Total home visiting revenue for a district equals \$3 times the number of people
580.2 under five years of age residing in the district on September 1 of the last school year. ~~Levy~~
580.3 Revenue under this subdivision must not be included as revenue under subdivision 1. The
580.4 revenue must be used for home visiting programs under section 124D.13, subdivision 4.

580.5 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and
580.6 later.

580.7 Sec. 2. Minnesota Statutes 2014, section 124D.135, is amended by adding a
580.8 subdivision to read:

580.9 Subd. 6a. **Home visiting levy.** To obtain home visiting revenue, a district may levy
580.10 an amount not more than the product of its home visiting revenue for the fiscal year times
580.11 the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the
580.12 home visiting equalizing factor. The home visiting equalizing factor equals \$17,250 for
580.13 fiscal year 2018 and later.

580.14 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and
580.15 later.

580.16 Sec. 3. Minnesota Statutes 2014, section 124D.135, is amended by adding a
580.17 subdivision to read:

580.18 Subd. 6b. **Home visiting aid.** A district's home visiting aid equals its home visiting
580.19 revenue minus its home visiting levy times the ratio of the actual amount levied to the
580.20 permitted levy.

580.21 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and
580.22 later.

580.23 Sec. 4. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 7,
580.24 is amended to read:

580.25 Subd. 7. **Parent-child home program.** For a grant to the parent-child home
580.26 program:

580.27	\$	350,000	.....	2016
580.28		350,000		
580.29	\$	<u>2,350,000</u>	.....	2017

580.30 The grant must be used for an evidence-based and research-validated early childhood
580.31 literacy and school readiness program for children ages 16 months to four years at its

581.1 existing suburban program location. The program must include urban and rural program
581.2 locations for fiscal years 2016 and 2017.

581.3 The base appropriation for this program for fiscal year 2018 and later is \$350,000.
581.4 The 2017 appropriation is available until June 30, 2019.

581.5 To the extent practicable, the parent-child home program is encouraged to expend
581.6 the fiscal year 2017 appropriation equally over fiscal years 2017, 2018, and 2019.

581.7 Sec. 5. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 9,
581.8 is amended to read:

581.9 Subd. 9. **Quality Rating System.** For transfer to the commissioner of human
581.10 services for the purposes of expanding the Quality Rating and Improvement System under
581.11 Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for
581.12 providers participating in the Quality Rating and Improvement System:

581.13	\$	1,200,000	.....	2016
581.14		2,300,000		
581.15	\$	<u>4,300,000</u>	.....	2017

581.16 To the extent possible, the commissioner must direct at least \$2,000,000 of the 2017
581.17 appropriation toward increasing access and providing training assistance to providers who
581.18 are located in underserved or low-income neighborhoods.

581.19 Any balance in the first year does not cancel but is available in the second year. The
581.20 base for this program in fiscal year 2018 and later is \$1,750,000.

581.21 **EFFECTIVE DATE.** This section is effective July 1, 2016.

581.22 Sec. 6. **APPROPRIATION.**

581.23 Subdivision 1. **Department of Education.** The sums indicated in this section are
581.24 appropriated from the general fund to the commissioner of education for the fiscal year
581.25 designated.

581.26 Subd. 2. **St. Cloud preschool pilot program.** For a grant to Independent School
581.27 District No. 742, St. Cloud, to establish a preschool pilot program targeting low-income
581.28 students and English learners.

581.29	\$	<u>430,000</u>	<u>2017</u>
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581.30 Funds appropriated in this section are to be used to create morning and afternoon
581.31 preschool sections, serving at least 90 students from families with low income or
581.32 from families where English is not the primary language spoken in the child's home
581.33 environment. The funds appropriated under this section may be used to purchase

582.1 developmentally appropriate furniture and materials, instructional materials, and
582.2 curriculum materials; hire and train teachers and staff; and offset transportation costs.

582.3 Independent School District No. 742, St. Cloud, must submit an annual report by
582.4 January 15 of 2017, 2018, and 2019, describing the activities undertaken and outcomes
582.5 achieved with this grant. The 2019 report must contain recommendations for other
582.6 districts interested in similar prekindergarten programs.

582.7 This is a onetime appropriation. The fiscal year 2017 appropriation is available
582.8 until June 30, 2019.

582.9 **ARTICLE 32**

582.10 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

582.11 Section 1. Minnesota Statutes 2014, section 124D.52, subdivision 1, is amended to read:

582.12 Subdivision 1. **Program requirements.** (a) An adult basic education program is
582.13 a day or evening program offered by a district that is for people ~~over 16 years of age~~
582.14 who do not attend an elementary or secondary school and are not subject to compulsory
582.15 attendance. The program offers academic and English language instruction necessary to
582.16 earn a high school diploma or equivalency certificate.

582.17 (b) Notwithstanding any law to the contrary, a school board or the governing body of
582.18 a consortium offering an adult basic education program may adopt a sliding fee schedule
582.19 based on a family's income, but must waive the fee for participants who are under the age
582.20 of 21 or unable to pay. The fees charged must be designed to enable individuals of all
582.21 socioeconomic levels to participate in the program. A program may charge a security
582.22 deposit to assure return of materials, supplies, and equipment.

582.23 (c) Each approved adult basic education program must develop a memorandum of
582.24 understanding with the local workforce development centers located in the approved
582.25 program's service delivery area. The memorandum of understanding must describe how
582.26 the adult basic education program and the workforce development centers will cooperate
582.27 and coordinate services to provide unduplicated, efficient, and effective services to clients.

582.28 (d) Adult basic education aid must be spent for adult basic education purposes as
582.29 specified in sections 124D.518 to 124D.531.

582.30 (e) A state-approved adult basic education program must count and submit student
582.31 contact hours for a program that offers high school credit toward an adult high school
582.32 diploma according to student eligibility requirements and measures of student progress
582.33 toward work-based competency and, where appropriate, English language proficiency
582.34 requirements established by the commissioner and posted on the department Web site in
582.35 a readily accessible location and format.

583.1 Sec. 2. Minnesota Statutes 2014, section 124D.52, subdivision 2, is amended to read:

583.2 Subd. 2. **Program approval.** (a) To receive aid under this section, a district, a
583.3 ~~consortium of districts~~, the Department of Corrections, ~~or~~ a private nonprofit organization,
583.4 or a consortium including districts, nonprofit organizations, or both must submit an
583.5 application by June 1 describing the program, on a form provided by the department. The
583.6 program must be approved by the commissioner according to the following criteria:

583.7 (1) how the needs of different levels of learning and English language proficiency
583.8 will be met;

583.9 (2) for continuing programs, an evaluation of results;

583.10 (3) anticipated number and education level of participants;

583.11 (4) coordination with other resources and services;

583.12 (5) participation in a consortium, if any, and money available from other participants;

583.13 (6) management and program design;

583.14 (7) volunteer training and use of volunteers;

583.15 (8) staff development services;

583.16 (9) program sites and schedules;

583.17 (10) program expenditures that qualify for aid;

583.18 (11) program ability to provide data related to learner outcomes as required by
583.19 law; and

583.20 (12) a copy of the memorandum of understanding described in subdivision 1
583.21 submitted to the commissioner.

583.22 (b) Adult basic education programs may be approved under this subdivision for
583.23 up to five years. Five-year program approval must be granted to an applicant who has
583.24 demonstrated the capacity to:

583.25 (1) offer comprehensive learning opportunities and support service choices
583.26 appropriate for and accessible to adults at all basic skill and English language levels of need;

583.27 (2) provide a participatory and experiential learning approach based on the strengths,
583.28 interests, and needs of each adult, that enables adults with basic skill needs to:

583.29 (i) identify, plan for, and evaluate their own progress toward achieving their defined
583.30 educational and occupational goals;

583.31 (ii) master the basic academic reading, writing, and computational skills, as well
583.32 as the problem-solving, decision making, interpersonal effectiveness, and other life and
583.33 learning skills they need to function effectively in a changing society;

583.34 (iii) locate and be able to use the health, governmental, and social services and
583.35 resources they need to improve their own and their families' lives; and

584.1 (iv) continue their education, if they desire, to at least the level of secondary school
584.2 completion, with the ability to secure and benefit from continuing education that will
584.3 enable them to become more employable, productive, and responsible citizens;

584.4 (3) plan, coordinate, and develop cooperative agreements with community resources
584.5 to address the needs that the adults have for support services, such as transportation, English
584.6 language learning, flexible course scheduling, convenient class locations, and child care;

584.7 (4) collaborate with business, industry, labor unions, and employment-training
584.8 agencies, as well as with family and occupational education providers, to arrange for
584.9 resources and services through which adults can attain economic self-sufficiency;

584.10 (5) provide sensitive and well trained adult education personnel who participate in
584.11 local, regional, and statewide adult basic education staff development events to master
584.12 effective adult learning and teaching techniques;

584.13 (6) participate in regional adult basic education peer program reviews and evaluations;

584.14 (7) submit accurate and timely performance and fiscal reports;

584.15 (8) submit accurate and timely reports related to program outcomes and learner
584.16 follow-up information; and

584.17 (9) spend adult basic education aid on adult basic education purposes only, which
584.18 are specified in sections 124D.518 to 124D.531.

584.19 (c) The commissioner shall require each district to provide notification by February
584.20 1, 2001, of its intent to apply for funds under this section as a single district or as part of
584.21 ~~an identified~~ a consortium of districts. A district receiving funds under this section must
584.22 notify the commissioner by February 1 of its intent to change its application status for
584.23 applications due the following June 1.

584.24 Sec. 3. Minnesota Statutes 2014, section 124D.55, is amended to read:

584.25 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

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

584.29 For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee charged
584.30 to an eligible individual for the full battery of general education development (GED) tests,
584.31 but not more than the cost of one full battery of tests per year for any individual.

584.32 Sec. 4. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision 3,
584.33 is amended to read:

585.1 Subd. 3. **GED tests.** For payment of ~~60 percent of the costs of GED tests~~ test costs
585.2 under Minnesota Statutes, section 124D.55:

585.3 \$ 125,000 2016

585.4 ~~125,000~~

585.5 \$ 245,000 2017

585.6 The base appropriation for fiscal year 2018 and later is \$125,000.

585.7 Sec. 5. **APPROPRIATIONS.**

585.8 Subdivision 1. Department of Education. The sums indicated in this section are
585.9 appropriated from the general fund to the commissioner of education for the fiscal years
585.10 designated.

585.11 Subd. 2. Adult basic education. For a grant for additional adult basic aid:

585.12 \$ 400,000 2017

585.13 The International Education Center, the American Indian Opportunities
585.14 Industrialization Center, and the Minnesota Office of Communication Service for the Deaf
585.15 are eligible for additional adult basic education aid for innovative programs for fiscal year
585.16 2017 only. The onetime aid for each organization equals \$400,000 times the ratio of the
585.17 organization's number of students served for the previous fiscal year to the sum of the
585.18 three organizations' number of students served for the previous fiscal year.

585.19 This is a onetime appropriation.

585.20 Subd. 3. Adult basic education grants. (a) For adult basic education grants:

585.21 \$ 400,000 2017

585.22 (b) Of this amount, \$150,000 is for grants to the International Institute of Minnesota
585.23 to establish a college readiness academy. A college readiness academy is a partnership
585.24 between ABE programs, with support from Minnesota State Colleges and Universities, to
585.25 prepare ABE students to successfully enter college and complete credit-bearing courses
585.26 needed for career-related credentials. The academy must include academic skill building
585.27 for college success, integrated sector-specific academic training when applicable, and
585.28 intensive navigation and educational support for the program participants.

585.29 (c) Of this amount, \$150,000 is for a grant to Summit Academy OIC to establish a
585.30 contextualized GED or adult diploma program to prepare adults for successful GED
585.31 or adult diploma completion and successful entry into credentialing programs leading
585.32 to careers. The program must:

585.33 (1) provide program navigation and academic supports;

586.1 (2) be connected to an ABE consortium and partner with the Department of
586.2 Employment and Economic Development; and

586.3 (3) provide instruction in one of the state's six demand sectors identified by the
586.4 Department of Employment and Economic Development, serving participants in the
586.5 top three ABE levels of ABE intermediate high, adult secondary education (ASE) low,
586.6 or ASE high.

586.7 (d) Of this amount, \$100,000 is for grants to ABE programs to provide ABE
586.8 navigating and advising support services. The programs must help ABE students:

586.9 (1) explore careers;

586.10 (2) develop personalized learning;

586.11 (3) plan for a postsecondary education and career;

586.12 (4) attain personal learning goals;

586.13 (5) complete a standard adult high school diploma under Minnesota Statutes, section
586.14 124D.52, subdivisions 8 and 9, or complete a GED;

586.15 (6) develop time management and study skills;

586.16 (7) develop critical academic and career-related skills needed to enroll in a
586.17 postsecondary program without need for remediation;

586.18 (8) navigate the registration process for a postsecondary program;

586.19 (9) understand postsecondary program requirements and instruction expectations; and

586.20 (10) resolve personal issues related to mental health, domestic abuse, chemical
586.21 abuse, homelessness, and other issues that, if left unaddressed, are barriers to enrolling in
586.22 and completing a postsecondary program.

586.23 (e) The commissioner must award ABE navigating and advising support services
586.24 grants to up to eight ABE programs. The commissioner shall award grants to programs
586.25 based on program capacity, need, and geographic balance of programs around the state.
586.26 The commissioner shall give priority to ABE programs already providing navigating and
586.27 advising support services. The commissioner shall allocate the grant funding based on the
586.28 number of ABE program participants the program served in the prior year.

586.29 (f) This is a onetime appropriation and is available until June 30, 2019.

586.30 **ARTICLE 33**

586.31 **STATE AGENCIES**

586.32 Section 1. Minnesota Statutes 2014, section 122A.21, as amended by Laws 2015, First
586.33 Special Session chapter 3, article 2, section 17, is amended to read:

586.34 **122A.21 TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.**

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

587.13 Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via
 587.14 portfolio to obtain ~~an initial licensure~~ a professional five-year teaching license or to add a
 587.15 licensure field, consistent with applicable Board of Teaching licensure rules.

587.16 (b) A candidate for ~~initial licensure~~ a professional five-year teaching license must
 587.17 submit to the Educator Licensing Division at the department one portfolio demonstrating
 587.18 pedagogical competence and one portfolio demonstrating content competence.

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

587.21 (d) The Board of Teaching must notify a candidate who submits a portfolio under
 587.22 paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not
 587.23 the portfolio was approved. If the portfolio was not approved, the board must immediately
 587.24 inform the candidate how to revise the portfolio to successfully demonstrate the requisite
 587.25 competence. The candidate may resubmit a revised portfolio at any time and the Educator
 587.26 Licensing Division at the department must approve or disapprove the portfolio within
 587.27 60 calendar days of receiving it.

587.28 (e) A candidate must pay to the executive secretary of the Board of Teaching a
 587.29 \$300 fee for the first portfolio submitted for review and a \$200 fee for any portfolio
 587.30 submitted subsequently. ~~The fees must be paid to the executive secretary of the Board of~~
 587.31 ~~Teaching.~~ The revenue generated from the fee must be deposited in an education licensure
 587.32 portfolio account in the special revenue fund. The fees set by the Board of Teaching are
 587.33 nonrefundable for applicants not qualifying for a license. The Board of Teaching may
 587.34 waive or reduce fees for candidates based on financial need.

588.1 Sec. 2. Laws 2015, First Special Session chapter 3, article 12, section 4, subdivision 2,
588.2 is amended to read:

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

588.4		21,246,000		
588.5	\$	<u>21,276,000</u>	.....	2016
588.6		21,973,000		
588.7	\$	<u>26,384,000</u>	.....	2017

588.8 Of these amounts:

588.9 (1) ~~\$718,000 each year~~ \$748,000 in fiscal year 2016 and zero in fiscal year 2017 is
588.10 for the Board of Teaching. Any balance in the first year does not cancel, but is available
588.11 in the second year;

588.12 (2) \$228,000 in fiscal year 2016 and \$231,000 in fiscal year 2017 are for the Board
588.13 of School Administrators;

588.14 (3) \$1,000,000 each year is for Regional Centers of Excellence under Minnesota
588.15 Statutes, section 120B.115;

588.16 (4) \$500,000 each year is for the School Safety Technical Assistance Center under
588.17 Minnesota Statutes, section 127A.052;

588.18 (5) \$250,000 each year is for the School Finance Division to enhance financial
588.19 data analysis; ~~and~~

588.20 (6) \$441,000 in fiscal year 2016 and \$720,000 in fiscal year 2017 is for implementing
588.21 Laws 2014, chapter 272, article 1, Minnesota's Learning for English Academic Proficiency
588.22 and Success Act, as amended;

588.23 (7) \$2,750,000 in fiscal year 2017 only is for implementation of schoolwide
588.24 Positive Behavioral Interventions and Supports (PBIS) in schools and districts throughout
588.25 Minnesota to reduce the use of restrictive procedures and increase use of positive
588.26 practices. This is a onetime appropriation; and

588.27 (8) \$1,000,000 in fiscal year 2017 only is for Department of Education information
588.28 technology enhancements and security. This is a onetime appropriation.

588.29 (b) Any balance in the first year does not cancel but is available in the second year.

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

588.32 (d) The expenditures of federal grants and aids as shown in the biennial budget
588.33 document and its supplements are approved and appropriated and shall be spent as
588.34 indicated.

588.35 (e) This appropriation includes funds for information technology project services and
588.36 support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing
588.37 information technology costs will be incorporated into the service level agreement and

589.1 will be paid to the Office of MN.IT Services by the Department of Education under the
589.2 rates and mechanism specified in that agreement.

589.3 (f) The agency's base budget in fiscal year 2018 is ~~\$21,973,000~~ \$22,121,000. The
589.4 agency's base budget in fiscal year 2019 is ~~\$21,948,000~~ \$22,096,000.

589.5 Subd. 3. Licensure by Portfolio. For licensure by portfolio:

589.6 \$ 34,000 2017

589.7 This appropriation is from the educator licensure portfolio account of the special
589.8 revenue fund.

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

589.10 Sec. 3. APPROPRIATIONS; BOARD OF TEACHING.

589.11 (a) The sums indicated in this section are appropriated from the general fund to the
589.12 Board of Teaching for the fiscal years designated:

589.13 \$ 1,018,000 2017

589.14 Of this amount, \$80,000 in fiscal year 2017 only is for a contract for an electronic
589.15 statewide school teacher and administrator job board. The job board must allow
589.16 school districts to post job openings for prekindergarten through grade 12 teaching and
589.17 administrative positions. Notwithstanding Minnesota Statutes, section 16E.0466, the
589.18 board is not required to consult with the Office of MN.IT Services nor transfer any of this
589.19 appropriation to the Office of MN.IT Services.

589.20 (b) This appropriation includes funds for information technology project services
589.21 and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information
589.22 technology costs will be incorporated into an interagency agreement and will be paid to
589.23 the Office of MN.IT Services by the Board of Teaching under the mechanism specified
589.24 in that agreement.

589.25 (c) The board's base budget for fiscal year 2018 and later is \$968,000.

589.26 ARTICLE 34

589.27 FORECAST ADJUSTMENTS

589.28 A. GENERAL EDUCATION

589.29 Section 1. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision
589.30 4, is amended to read:

589.31 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
589.32 127A.49:

590.1 ~~2,740,000~~
 590.2 \$ 3,051,000 2016
 590.3 ~~2,932,000~~
 590.4 \$ 3,425,000 2017

590.5 The 2016 appropriation includes \$278,000 for 2015 and ~~\$2,462,000~~ \$2,773,000
 590.6 for 2016.

590.7 The 2017 appropriation includes ~~\$273,000~~ \$308,000 for 2016 and ~~\$2,659,000~~
 590.8 \$3,117,000 for 2017.

590.9 Sec. 2. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 5,
 590.10 is amended to read:

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

590.13 ~~292,000~~
 590.14 \$ 22,000 2016
 590.15 ~~165,000~~
 590.16 \$ 0 2017

590.17 The 2016 appropriation includes \$22,000 for 2015 and ~~\$270,000~~ \$0 for 2016.

590.18 The 2017 appropriation includes ~~\$30,000~~ \$0 for 2016 and ~~\$135,000~~ \$0 for 2017.

590.19 Sec. 3. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 6,
 590.20 is amended to read:

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

590.23 ~~16,881,000~~
 590.24 \$ 16,759,000 2016
 590.25 ~~17,460,000~~
 590.26 \$ 17,235,000 2017

590.27 The 2016 appropriation includes \$1,575,000 for 2015 and ~~\$15,306,000~~ \$15,184,000
 590.28 for 2016.

590.29 The 2017 appropriation includes ~~\$1,700,000~~ \$1,687,000 for 2016 and ~~\$15,760,000~~
 590.30 \$15,548,000 for 2017.

590.31 Sec. 4. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 7,
 590.32 is amended to read:

590.33 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
 590.34 under Minnesota Statutes, section 123B.92, subdivision 9:

592.1 Subd. 5. **Interdistrict desegregation or integration transportation grants.** For
 592.2 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 592.3 section 124D.87:

592.4		15,023,000		
592.5	\$	<u>14,423,000</u>	.....	2016
592.6		15,825,000		
592.7	\$	<u>15,193,000</u>	.....	2017

592.8 Sec. 8. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 7,
 592.9 is amended to read:

592.10 Subd. 7. **Tribal contract schools.** For tribal contract school aid under Minnesota
 592.11 Statutes, section 124D.83:

592.12		4,340,000		
592.13	\$	<u>3,539,000</u>	.....	2016
592.14		5,090,000		
592.15	\$	<u>3,715,000</u>	.....	2017

592.16 The 2016 appropriation includes \$204,000 for 2015 and ~~\$4,136,000~~ \$3,335,000
 592.17 for 2016.

592.18 The 2017 appropriation includes ~~\$459,000~~ \$370,000 for 2016 and ~~\$4,631,000~~
 592.19 \$3,345,000 for 2017.

592.20 Sec. 9. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 592.21 11, is amended to read:

592.22 Subd. 11. **American Indian education aid.** For American Indian education aid
 592.23 under Minnesota Statutes, section 124D.81, subdivision 2a:

592.24		7,868,000		
592.25	\$	<u>7,740,000</u>	.....	2016
592.26		8,875,000		
592.27	\$	<u>8,878,000</u>	.....	2017

592.28 The 2016 appropriation includes \$0 for 2015 and ~~\$7,868,000~~ \$7,740,000 for 2016.

592.29 The 2017 appropriation includes ~~\$874,000~~ \$860,000 for 2016 and ~~\$8,001,000~~
 592.30 \$8,018,000 for 2017.

592.31 **C. SPECIAL PROGRAMS**

592.32 Sec. 10. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision
 592.33 3, is amended to read:

592.34 Subd. 3. **Travel for home-based services.** For aid for teacher travel for home-based
 592.35 services under Minnesota Statutes, section 125A.75, subdivision 1:

593.1 ~~361,000~~
 593.2 \$ 416,000 2016
 593.3 ~~371,000~~
 593.4 \$ 435,000 2017

593.5 The 2016 appropriation includes \$35,000 for 2015 and ~~\$326,000~~ \$381,000 for 2016.

593.6 The 2017 appropriation includes ~~\$36,000~~ \$42,000 for 2016 and ~~\$335,000~~ \$393,000
 593.7 for 2017.

593.8 Sec. 11. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision
 593.9 5, is amended to read:

593.10 Subd. 5. **Aid for children with disabilities.** For aid under Minnesota Statutes,
 593.11 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
 593.12 within the district boundaries for whom no district of residence can be determined:

593.13 ~~1,406,000~~
 593.14 \$ 1,307,000 2016
 593.15 ~~1,629,000~~
 593.16 \$ 1,516,000 2017

593.17 If the appropriation for either year is insufficient, the appropriation for the other
 593.18 year is available.

593.19 **D. FACILITIES AND TECHNOLOGY**

593.20 Sec. 12. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
 593.21 3, is amended to read:

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

593.24 \$ 20,349,000 2016
 593.25 ~~22,171,000~~
 593.26 \$ 22,926,000 2017

593.27 The 2016 appropriation includes \$2,295,000 for 2015 and \$18,054,000 for 2016.

593.28 The 2017 appropriation includes \$2,005,000 for 2016 and ~~\$20,166,000~~ \$20,921,000
 593.29 for 2017.

593.30 Sec. 13. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
 593.31 6, is amended to read:

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

595.1 The 2016 appropriation includes \$2,713,000 for 2015 and ~~\$25,731,000~~ \$25,235,000
 595.2 for 2016.

595.3 The 2017 appropriation includes ~~\$2,858,000~~ \$2,803,000 for 2016 and ~~\$27,081,000~~
 595.4 \$26,533,000 for 2017.

595.5 Sec. 17. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 6,
 595.6 is amended to read:

595.7 Subd. 6. **Developmental screening aid.** For developmental screening aid under
 595.8 Minnesota Statutes, sections 121A.17 and 121A.19:

595.9		3,363,000	
595.10	\$	<u>3,477,000</u>	..... 2016
595.11		3,369,000	
595.12	\$	<u>3,488,000</u>	..... 2017

595.13 The 2016 appropriation includes \$338,000 for 2015 and ~~\$3,025,000~~ \$3,139,000
 595.14 for 2016.

595.15 The 2017 appropriation includes ~~\$336,000~~ \$348,000 for 2016 and ~~\$3,033,000~~
 595.16 \$3,140,000 for 2017.

595.17 Sec. 18. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision
 595.18 2, is amended to read:

595.19 Subd. 2. **Community education aid.** For community education aid under
 595.20 Minnesota Statutes, section 124D.20:

595.21		788,000	
595.22	\$	<u>790,000</u>	..... 2016
595.23		554,000	
595.24	\$	<u>553,000</u>	..... 2017

595.25 The 2016 appropriation includes \$107,000 for 2015 and ~~\$681,000~~ \$683,000 for 2016.

595.26 The 2017 appropriation includes \$75,000 for 2016 and ~~\$479,000~~ \$478,000 for 2017.

595.27 Sec. 19. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision
 595.28 2, is amended to read:

595.29 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota
 595.30 Statutes, section 124D.531:

595.31		49,118,000	
595.32	\$	<u>48,231,000</u>	..... 2016
595.33		50,592,000	
595.34	\$	<u>49,683,000</u>	..... 2017

596.1 The 2016 appropriation includes \$4,782,000 for 2015 and ~~\$44,336,000~~ \$43,449,000
596.2 for 2016.

596.3 The 2017 appropriation includes ~~\$4,926,000~~ \$4,827,000 for 2016 and ~~\$45,666,000~~
596.4 \$44,856,000 for 2017."

596.5 Delete the title and insert:

596.6 "A bill for an act
596.7 relating to state government; providing supplemental appropriations and policy
596.8 for higher education, agriculture, broadband development, state agencies,
596.9 the courts, public safety, corrections, environment, natural resources, state
596.10 government, veterans, jobs, economic development, labor and industry,
596.11 commerce, housing finance, health and human services, early childhood
596.12 education, voluntary prekindergarten, kindergarten through grade 12 education,
596.13 and community and adult education; providing for the James Metzen Mighty
596.14 Ducks Ice Center Development Act; providing policy initiatives for state
596.15 government programs; making policy, technical, and conforming changes to
596.16 various provisions, including provisions governing broadband development,
596.17 state broadband goals, postsecondary student aid programs, agriculture, driver's
596.18 licenses, identification cards, predatory offender registration, prostitution, game
596.19 and fish, natural resources, state lands, watercraft, recreational vehicles, energy,
596.20 utilities, state agencies, the Board of Barbers, veterans, economic development,
596.21 labor and industry, housing, the Public Employment Relations Board, Explore
596.22 Minnesota Tourism, commerce, children and family services, mental and
596.23 chemical health services, direct care and treatment, continuing care, health
596.24 care programs, Department of Health programs, and health-related licensing;
596.25 making forecast adjustments; making adjustments to certain appropriations;
596.26 specifying requirements for construction of highways on tribal lands; creating
596.27 a surrogacy commission; modifying state procurement contracts; establishing
596.28 certain programs and incentives; providing an income tax subtraction for military
596.29 retirement pay; providing an income tax credit for parents of stillborn children;
596.30 modifying the sales and use tax rate for retail sales of modular homes; increasing
596.31 maximum sentence for felony assault motivated by bias; permitting the purchase
596.32 and possession of alcohol by sensory testing firms; authorizing the issuance of
596.33 certain liquor licenses; authorizing transfers; creating accounts; creating task
596.34 forces; requiring reports; authorizing rulemaking; providing criminal penalties;
596.35 amending Minnesota Statutes 2014, sections 3.3005, subdivisions 3, 3b, 4, 5, 6,
596.36 by adding subdivisions; 13.3805, by adding a subdivision; 16A.103, by adding a
596.37 subdivision; 16C.10, subdivision 6; 16C.16, subdivisions 6, 7, 11, by adding a
596.38 subdivision; 16E.0466; 16E.21, subdivision 2, by adding subdivisions; 17.117,
596.39 subdivisions 4, 11a; 17.4982, subdivision 18a; 18B.26, subdivision 3; 41A.12,
596.40 subdivision 2; 61A.24, by adding a subdivision; 61A.25, by adding a subdivision;
596.41 62D.04, subdivision 1; 62D.08, subdivision 3; 62J.495, subdivision 4; 62J.496,
596.42 subdivision 1; 62V.05, by adding a subdivision; 84.027, subdivision 13; 84.091,
596.43 subdivision 2; 84.798, subdivision 2; 84.8035; 84D.01, subdivision 2; 84D.05,
596.44 subdivision 1; 84D.09, subdivision 2; 84D.10, subdivision 4; 84D.108, by adding
596.45 a subdivision; 84D.13, subdivision 4; 85.015, subdivision 13; 86B.005, by adding
596.46 subdivisions; 88.01, by adding a subdivision; 88.22, subdivision 1; 89.0385;
596.47 93.0015, subdivision 3; 93.2236; 94.3495, subdivisions 2, 3, 7; 97A.075,
596.48 subdivision 7; 97A.405, subdivision 2; 97A.465, by adding a subdivision;
596.49 115C.09, subdivisions 1, 3; 115C.13; 116J.395, subdivisions 4, 5, by adding
596.50 subdivisions; 116J.423; 116J.424; 116J.431, subdivisions 1, 2, 4, 6; 116J.68;
596.51 116J.8737, subdivisions 2, 3, 5, 12; 116J.8747, subdivisions 1, 2; 116L.99;
596.52 116M.14, subdivisions 2, 4, by adding subdivisions; 116M.15, subdivision 1, by
596.53 adding a subdivision; 116M.17, subdivisions 2, 4; 116M.18; 120A.42; 120B.02,
596.54 by adding a subdivision; 120B.021, subdivisions 1, 3; 120B.11, subdivisions 1a,
596.55 2, 3, 4, 5; 120B.12, subdivision 2; 120B.15; 120B.232; 120B.30, subdivision 2, by

597.1 adding a subdivision; 120B.31, subdivision 5, by adding subdivisions; 120B.35;
 597.2 120B.36, as amended; 121A.53; 121A.61, subdivision 3; 121A.64; 122A.09, as
 597.3 amended; 122A.16; 122A.18, as amended; 122A.21, as amended; 122A.245, as
 597.4 amended; 122A.31, subdivision 3; 122A.4144; 122A.416; 122A.42; 122A.63,
 597.5 subdivision 1; 122A.72, subdivision 5; 123A.24, subdivision 2; 123B.045, by
 597.6 adding a subdivision; 123B.52, subdivision 1; 123B.53, subdivision 5; 123B.571,
 597.7 subdivision 2; 123B.60, subdivision 1; 123B.71, subdivision 8; 123B.79,
 597.8 subdivisions 5, 8, 9; 124D.03, subdivision 5a; 124D.111, by adding a subdivision;
 597.9 124D.1158, subdivisions 3, 4; 124D.135, subdivision 6, by adding subdivisions;
 597.10 124D.15, subdivisions 3a, 15; 124D.52, subdivisions 1, 2; 124D.55; 124D.59, by
 597.11 adding a subdivision; 124D.68, subdivision 2; 124D.861, as amended; 125A.091,
 597.12 subdivision 11; 125A.0942, subdivision 4; 125A.56, subdivision 1; 126C.05,
 597.13 subdivision 3; 126C.10, subdivisions 2d, 24; 126C.40, subdivision 5; 126C.63,
 597.14 subdivision 7; 127A.095; 127A.353, subdivision 4; 127A.45, subdivision 6a;
 597.15 127A.51; 129C.10, subdivision 1; 136A.101, subdivisions 5a, 10; 144.05, by
 597.16 adding a subdivision; 144A.073, subdivisions 13, 14, by adding a subdivision;
 597.17 144A.611, subdivisions 1, 2, by adding a subdivision; 144A.75, subdivisions 5,
 597.18 6, 8, by adding a subdivision; 145.4716, subdivision 2, by adding a subdivision;
 597.19 149A.50, subdivision 2; 154.001, subdivision 2; 154.002; 154.01; 154.02;
 597.20 154.04; 154.05; 154.065, subdivisions 2, 4; 154.07; 154.08; 154.09; 154.10,
 597.21 subdivision 2; 154.11, subdivision 1; 154.14; 154.15; 154.161, subdivision 7;
 597.22 154.162; 154.19; 154.21; 154.24; 154.25; 161.368; 171.07, subdivisions 6, 7,
 597.23 15, by adding a subdivision; 197.455, subdivision 1; 214.075, subdivision 3;
 597.24 216B.16, subdivision 12; 216B.1691, subdivision 10; 216B.241, subdivision
 597.25 1c; 216B.243, subdivision 8; 216C.20, subdivision 3; 216E.03, subdivision 5;
 597.26 216H.01, by adding a subdivision; 216H.03, subdivision 1; 237.012; 243.166,
 597.27 subdivision 1b; 245.92; 245.94; 245.95, subdivision 1; 245.97, subdivision 5;
 597.28 245.99, subdivision 2; 245A.11, subdivision 2a, as amended; 246.50, subdivision
 597.29 7; 246.54, as amended; 246B.01, subdivision 1b; 246B.035; 254B.01, subdivision
 597.30 4a; 254B.03, subdivision 4; 254B.04, subdivision 2a; 254B.06, subdivision 2, by
 597.31 adding a subdivision; 256.01, by adding a subdivision; 256B.059, subdivisions 1,
 597.32 2, 3, by adding a subdivision; 256B.06, subdivision 4; 256B.0622, by adding a
 597.33 subdivision; 256B.0625, subdivisions 30, 34, by adding a subdivision; 256B.15,
 597.34 subdivisions 1, 1a, 2; 256D.051, subdivision 6b; 256L.01, subdivision 1a;
 597.35 256L.04, subdivisions 1a, 2; 256L.07, subdivision 1; 256L.11, subdivision
 597.36 7; 256N.26, subdivision 3; 260C.451, by adding a subdivision; 268.035,
 597.37 subdivisions 12, 20, 23a, 29, by adding subdivisions; 268.051, subdivision 5;
 597.38 268.085, subdivisions 4, 5; 268.0865, subdivisions 3, 4; 268.095, subdivisions 1,
 597.39 2, 5; 268.101, subdivision 2; 268.18; 268.182, subdivision 2; 290.01, subdivision
 597.40 19b; 297A.62, subdivision 3; 299A.41, subdivisions 3, 4; 326B.439; 326B.49,
 597.41 subdivision 1; 327.14, subdivision 8; 327C.03, subdivision 6; 327C.095,
 597.42 subdivisions 12, 13; 373.48, subdivision 3; 462A.204, subdivisions 1, 3; 484.90,
 597.43 subdivision 6; 518.175, subdivision 5; 518A.34; 518A.35, subdivision 1;
 597.44 518A.36; 609.3241; 626.556, subdivision 3e; 626.558, subdivisions 1, 2, by
 597.45 adding a subdivision; Minnesota Statutes 2015 Supplement, sections 16A.152,
 597.46 subdivision 2; 16A.724, subdivision 2; 16C.073, subdivision 2; 16C.16,
 597.47 subdivision 6a; 41A.14; 41A.15, subdivision 10, by adding subdivisions;
 597.48 41A.16, subdivision 1; 41A.17, subdivisions 1, 2; 41A.18, subdivision 1; 84.027,
 597.49 subdivision 13a; 84D.11, subdivision 1; 84D.13, subdivision 5; 116D.04,
 597.50 subdivision 2a; 116J.394; 120A.41; 120B.021, subdivision 4; 120B.125;
 597.51 120B.30, subdivision 1; 120B.301; 120B.31, subdivision 4; 122A.23; 122A.40,
 597.52 subdivision 8; 122A.41, subdivision 5; 122A.414, subdivisions 1, 2, 2b, 3;
 597.53 122A.415, subdivision 4; 122A.60, subdivision 4; 123B.53, subdivision 1;
 597.54 123B.595, subdivisions 1, 4, 7, 8, 9, 10, 11, by adding a subdivision; 124D.231,
 597.55 subdivision 2; 124D.59, subdivision 2; 124D.73, subdivision 4; 124E.01;
 597.56 124E.02; 124E.03; 124E.05; 124E.06; 124E.07; 124E.08; 124E.10; 124E.12;
 597.57 124E.13; 124E.15; 124E.16; 124E.17; 124E.22; 124E.24; 124E.25; 124E.26;
 597.58 125A.08; 125A.083; 125A.0942, subdivision 3; 125A.11, subdivision 1;

598.1 125A.21, subdivision 3; 125A.63, subdivision 4; 125A.76, subdivision 2c;
 598.2 125A.79, subdivision 1; 126C.05, subdivision 1; 126C.10, subdivision 13a;
 598.3 126C.48, subdivision 8; 127A.05, subdivision 6; 127A.47, subdivision 7;
 598.4 136A.121, subdivision 7a; 136A.125, subdivisions 2, 4; 136A.1791, subdivisions
 598.5 4, 5, 6; 136A.246, by adding subdivisions; 136A.87; 136F.302, subdivision
 598.6 1; 144.4961, subdivisions 3, 4, 5, 6, 8, by adding subdivisions; 144A.75,
 598.7 subdivision 13; 149A.92, subdivision 1; 154.003; 154.11, subdivision 3; 154.161,
 598.8 subdivision 4; 197.46; 245.735, subdivisions 3, 4; 254B.05, subdivision 5;
 598.9 256B.059, subdivision 5; 256B.0625, subdivision 17a; 256B.431, subdivision
 598.10 36; 256B.76, subdivisions 2, 4; 256B.766; 256L.01, subdivision 5; 256L.04,
 598.11 subdivision 7b; 256L.05, subdivision 3a; 256L.06, subdivision 3; 256L.15,
 598.12 subdivision 1; 256P.06, subdivision 3; 260C.203; 260C.212, subdivisions 1,
 598.13 14; 260C.215, subdivision 4; 260C.451, subdivision 6; 260C.521, subdivision
 598.14 1; 268.07, subdivision 3b; 268.085, subdivision 2; 326B.13, subdivision 8;
 598.15 326B.988; 518A.26, subdivision 14; 518A.39, subdivision 2; 583.215; 609.324,
 598.16 subdivision 1; 626.556, subdivision 2; Laws 2001, chapter 130, section 3; Laws
 598.17 2011, First Special Session chapter 11, article 4, section 8; Laws 2014, chapter
 598.18 198, article 2, section 2; Laws 2014, chapter 211, section 13; Laws 2014,
 598.19 chapter 312, article 2, sections 14; 15; article 12, section 6, subdivision 5, as
 598.20 amended; Laws 2015, chapter 65, article 1, section 18; Laws 2015, chapter 69,
 598.21 article 1, section 3, subdivision 28; article 3, sections 20, subdivision 15; 24,
 598.22 subdivision 1; Laws 2015, chapter 71, article 8, section 24; article 14, section
 598.23 4, subdivision 3; Laws 2015, First Special Session chapter 1, article 1, sections
 598.24 2, subdivision 3; 4; 6; article 6, section 16; Laws 2015, First Special Session
 598.25 chapter 3, article 1, sections 24; 27, subdivisions 2, 4, 5, 6, 7, 9; article 2, section
 598.26 70, subdivisions 2, 3, 4, 5, 6, 7, 11, 12, 15, 19, 21, 24, 26; article 4, sections 4;
 598.27 9, subdivision 2; article 5, section 30, subdivisions 2, 3, 5; article 6, section 13,
 598.28 subdivisions 2, 3, 6, 7; article 7, section 7, subdivisions 2, 3, 4; article 9, section
 598.29 8, subdivisions 5, 6, 7, 9; article 10, section 3, subdivisions 2, 6, 7; article 11,
 598.30 section 3, subdivisions 2, 3; article 12, section 4, subdivision 2; Laws 2015,
 598.31 First Special Session chapter 4, article 1, sections 2, subdivisions 2, 4; 5; article
 598.32 3, section 3, subdivisions 2, 5; article 4, section 131; proposing coding for new
 598.33 law in Minnesota Statutes, chapters 17; 41A; 62D; 84D; 86B; 116J; 116L; 119A;
 598.34 120B; 121A; 123B; 124D; 136A; 136F; 144; 145; 216B; 240A; 254B; 260C;
 598.35 260D; 290; 325E; 462A; 518A; 609; proposing coding for new law as Minnesota
 598.36 Statutes, chapters 147F; 153B; repealing Minnesota Statutes 2014, sections
 598.37 116P.13; 122A.413, subdivision 3; 122A.43, subdivision 6; 123B.60, subdivision
 598.38 2; 123B.79, subdivisions 2, 6; 149A.92, subdivision 11; 154.03; 154.06; 154.11,
 598.39 subdivision 2; 154.12; 216B.1612; 216C.39; 256B.059, subdivision 1a; 256L.04,
 598.40 subdivisions 2a, 8; 256L.22; 256L.24; 256L.26; 256L.28; Minnesota Statutes
 598.41 2015 Supplement, section 122A.413, subdivisions 1, 2; Laws 2015, First Special
 598.42 Session chapter 4, article 2, section 81."

599.1 We request the adoption of this report and repassage of the bill.

599.2 House Conferees:

599.3
599.4 Jim Knoblach Jenifer Loon

599.5
599.6 Pat Garofalo Matt Dean

599.7
599.8 Denny McNamara

599.9 Senate Conferees:

599.10
599.11 Richard Cohen Charles W. Wiger

599.12
599.13 Tony Lourey Tom Saxhaug

599.14
599.15 Michelle L. Fischbach