

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(a) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(b) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(c) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(d) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(e) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017;

(f) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds; and

(g) enter into contractual agreements with federally recognized Indian tribes with a reservation in Minnesota to the extent necessary for the tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

(2) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

(3) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(4) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(5) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(6) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter

431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(7) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(8) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded. For children under the guardianship of the commissioner whose interests would be best served by adoptive placement, the commissioner may contract with a licensed child-placing agency to provide adoption services. A contract with a licensed child-placing agency must be designed to supplement existing county efforts and may not replace existing county programs, unless the replacement is agreed to by the county board and the appropriate exclusive bargaining representative or the commissioner has evidence that child placements of the county continue to be substantially below that of other counties. Funds encumbered and obligated under an agreement for a specific child shall remain available until the terms of the agreement are fulfilled or the agreement is terminated.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The secretary of health and human services of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(b) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) According to federal requirements, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and the AFDC program formerly codified in sections 256.72 to 256.87, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC program formerly codified in sections 256.72 to 256.87, and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) Have the authority to make direct payments to facilities providing shelter to women and their children according to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256D.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(17) Have the authority to establish and enforce the following county reporting requirements:

(a) The commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced.

(b) The county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner.

(c) If the required reports are not received by the deadlines established in clause (b), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received.

(d) A county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered

noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance.

(e) The final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period.

(f) The commissioner may not delay payments, withhold funds, or require repayment under paragraph (c) or (e) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under paragraph (c) or (e), the county board may appeal the action according to sections 14.57 to 14.69.

(g) Counties subject to withholding of funds under paragraph (c) or forfeiture or repayment of funds under paragraph (e) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under paragraph (c) or (e).

(18) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample for the foster care program under title IV-E of the Social Security Act, United States Code, title 42, in direct proportion to each county's title IV-E foster care maintenance claim for that period.

(19) Be responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the human services programs administered by the department.

(20) Require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the human services programs administered by the department.

(21) Have the authority to administer a drug rebate program for drugs purchased pursuant to the senior citizen prescription drug program established under section 256.955 after the beneficiary's satisfaction of any deductible established in the program. The commissioner shall require a rebate agreement from all manufacturers of covered drugs as defined in section 256B.0625, subdivision 13. Rebate agreements for prescription drugs delivered on or after July 1, 2002, must include rebates for individuals covered under the prescription drug program who are under 65 years of age. For each drug, the amount of the rebate shall be equal to the basic rebate as defined for purposes of the federal rebate program in United States Code, title 42, section 1396r-8(c)(1). This basic rebate shall be applied to single-source and multiple-source drugs. The manufacturers must provide full payment within 30 days of receipt of the state invoice for the rebate within the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act. The manufacturers must provide the commissioner with any information necessary to verify the rebate determined per drug. The rebate program shall utilize the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act.

(22) Operate the department's communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. A communications account may also be established for each regional treatment center which operates communications systems. Each account must be used to manage shared communication costs necessary for the operations of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other

costs as determined by the commissioner. Nonprofit organizations and state, county, and local government agencies involved in the operation of programs the commissioner supervises may participate in the use of the department's communications technology and share in the cost of operation. The commissioner may accept on behalf of the state any gift, bequest, devise or personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money received for this purpose must be deposited in the department's communication systems accounts. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

(23) Receive any federal matching money that is made available through the medical assistance program for the consumer satisfaction survey. Any federal money received for the survey is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received for the consumer satisfaction survey in either year of the biennium.

(24) Incorporate cost reimbursement claims from First Call Minnesota into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Any reimbursement received is appropriated to the commissioner and shall be disbursed to First Call Minnesota according to normal department payment schedules.

(25) Develop recommended standards for foster care homes that address the components of specialized therapeutic services to be provided by foster care homes with those services.

Sec. 7. Minnesota Statutes 1998, section 256.955, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services shall establish and administer a ~~senior citizen~~ prescription drug program. ~~Qualified senior citizens shall be eligible for prescription drug coverage under the program beginning no later than January 1, 1999.~~

Sec. 8. Minnesota Statutes 1998, section 256.955, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Health plan" has the meaning provided in section 62Q.01, subdivision 3.

(c) "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

(d) "Qualified senior citizen individual" means an individual ~~age 65 or older~~ who: meets the requirements described in subdivision 2a or 2b, and:

~~(1) is eligible as a qualified Medicare beneficiary according to section 256B.057, subdivision 3 or 3a, or is eligible under section 256B.057, subdivision 3 or 3a, and is also eligible for medical assistance or general assistance medical care with a spenddown as defined in section 256B.056, subdivision 5. Persons who are determined eligible for who is not determined eligible for medical assistance according to section 256B.0575, who are is not determined eligible for medical assistance or general assistance medical care without a spenddown, or who are is not enrolled in MinnesotaCare, are not eligible for this program;~~

(2) is not enrolled in prescription drug coverage under a health plan;

(3) is not enrolled in prescription drug coverage under a Medicare supplement plan, as defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended;

(4) has not had coverage described in clauses (2) and (3) for at least four months prior to application for the program; and

(5) is a permanent resident of Minnesota as defined in section 256L.09.

EFFECTIVE DATE: This section is effective October 1, 2000.

Sec. 9. Minnesota Statutes 1998, section 256.955, is amended by adding a subdivision to read:

Subd. 2a. [ELIGIBILITY.] (a) An individual satisfying the following requirements and the requirements described in subdivision 2, paragraph (d), is eligible for the prescription drug program:

(1) is at least 65 years of age or older; and

(2) is eligible as a qualified Medicare beneficiary according to section 256B.057, subdivision 3 or 3a, or is eligible under section 256B.057, subdivision 3 or 3a, and is also eligible for medical assistance or general assistance medical care with a spenddown as defined in section 256B.056, subdivision 5.

EFFECTIVE DATE: This section is effective October 1, 2000.

Sec. 10. Minnesota Statutes 1998, section 256.955, is amended by adding a subdivision to read:

Subd. 2b. [ELIGIBILITY.] (a) Effective July 1, 2002, an individual satisfying the following requirements and the requirements described in subdivision 2, paragraph (d), is eligible for the prescription drug program:

(1) is under 65 years of age; and

(2) is eligible as a qualified Medicare beneficiary according to section 256B.057, subdivision 3, or is eligible under section 256B.057, subdivision 3, and is also eligible for medical assistance or general assistance medical care with a spenddown as defined in section 256B.056, subdivision 5.

Sec. 11. Minnesota Statutes 1999 Supplement, section 256.955, subdivision 4, is amended to read:

Subd. 4. [APPLICATION PROCEDURES AND COORDINATION WITH MEDICAL ASSISTANCE.] Applications and information on the program must be made available at county social service agencies, health care provider offices, and agencies and organizations serving senior citizens and persons with disabilities. ~~Senior citizens~~ Individuals shall submit applications and any information specified by the commissioner as being necessary to verify eligibility directly to the county social service agencies:

(1) beginning January 1, 1999, the county social service agency shall determine medical assistance spenddown eligibility of individuals who qualify for the ~~senior citizen~~ prescription drug program of individuals; and

(2) program payments will be used to reduce the spenddown obligations of individuals who are determined to be eligible for medical assistance with a spenddown as defined in section 256B.056, subdivision 5.

Seniors Qualified individuals who are eligible for medical assistance with a spenddown shall be financially responsible for the deductible amount up to the satisfaction of the spenddown. No deductible applies once the spenddown has been met. Payments to providers for prescription drugs for persons eligible under this subdivision shall be reduced by the deductible.

County social service agencies shall determine an applicant's eligibility for the program within 30 days from the date the application is received. Eligibility begins the month after approval.

Sec. 12. Minnesota Statutes 1999 Supplement, section 256.955, subdivision 8, is amended to read:

Subd. 8. [REPORT.] The commissioner shall annually report to the legislature on the ~~senior citizen~~ prescription drug program. The report must include demographic information on enrollees, per-prescription expenditures, total program expenditures, hospital and nursing home costs avoided by enrollees, any savings to medical assistance and Medicare resulting from the provision of prescription drug coverage under Medicare by health maintenance organizations, other public and private options for drug assistance to the ~~senior covered~~ population, any hardships caused by the annual deductible, and any recommendations for changes in the ~~senior~~ prescription drug program.

Sec. 13. Minnesota Statutes 1999 Supplement, section 256.955, subdivision 9, is amended to read:

Subd. 9. [PROGRAM LIMITATION.] The commissioner shall administer the ~~senior~~ prescription drug program so that the costs total no more than funds appropriated plus the drug rebate proceeds. ~~Senior Prescription~~ prescription drug program rebate revenues are appropriated to the commissioner and shall be expended to augment funding of the ~~senior~~ prescription drug program. New enrollment shall cease if the commissioner determines that, given current enrollment, costs of the program will exceed appropriated funds and rebate proceeds. ~~This section shall be repealed upon federal approval of the waiver to allow the commissioner to provide prescription drug coverage for qualified Medicare beneficiaries whose income is less than 150 percent of the federal poverty guidelines.~~

Sec. 14. Minnesota Statutes 1998, section 256.9751, is amended to read:

256.9751 [~~CONGREGATE HOUSING ON-SITE COORDINATION (OSC)~~ SERVICES PROJECTS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(a) [~~CONGREGATE HOUSING~~.] "Congregate housing" means federally or locally subsidized housing and nonsubsidized low- and moderate-income multifamily housing units which may not have common areas for activities and for serving food, designed for the elderly; ~~consisting of private apartments and common areas which can be used for activities and for serving meals.~~

(b) [~~CONGREGATE HOUSING ON-SITE COORDINATION SERVICES PROJECTS~~.] "~~Congregate housing~~ On-site coordination services project" means a project in which services are or could be made available to ~~older~~ persons age 55 or older who live in ~~subsidized housing~~ a designated service area and which helps ~~delay or prevent nursing home placement~~ them remain independent. To be considered a ~~congregate housing~~ on-site coordination services project, a project must have: (1) an on-site coordinator, ~~and~~; (2) a plan for assuring the availability of one meal per day, seven days a week, for each elderly participant ~~in need~~ who needs a meal to continue to live independently; and (3) an approved designated service area.

(c) [ON-SITE COORDINATOR.] "On-site coordinator" means a person who works on-site in a ~~building or buildings~~ designated service area and who serves as a contact for older persons who need services, support, and assistance in order to ~~delay or prevent nursing home placement~~ help them remain independent.

(d) [~~CONGREGATE HOUSING ON-SITE COORDINATION SERVICES PROJECT PARTICIPANTS OR PROJECT PARTICIPANTS~~.] "~~Congregate housing~~ On-site coordination services project participants" or "project participants" means elderly persons ~~60~~ 55 years old or older, who are currently residents of; or who are ~~applying for residence in housing sites~~; planning to move into a designated service area and who need support services to remain independent.

(e) [DESIGNATED SERVICE AREA OR DSA.] "Designated service area" or "DSA" means the congregate housing site or sites, and surrounding neighborhoods and communities that have a concentration of persons age 55 or older that is higher than the state average, in which on-site coordination services will be provided.

Subd. 3. [GRANT PROGRAM.] The ~~Minnesota board on aging~~ commissioner shall establish a ~~congregate housing~~ an on-site coordination services grant program ~~which that is coordinated with county government programs and services for elderly persons and, in counties where they exist, with seniors' agenda for independent living (SAIL) projects as defined in section 256B.0917, that~~ will enable communities and neighborhoods to provide on-site coordinators to serve ~~as a contact for older persons who need services and support, and or need assistance to access in accessing services,~~ in order to delay or prevent nursing home placement and remain independent.

Subd. 4. [USE OF GRANT FUNDS.] Grant funds shall be used to develop and fund on-site coordinator positions. Grant funds shall not be used to duplicate existing funds, to modify buildings, or to purchase equipment.

Subd. 5. [GRANT ELIGIBILITY.] A public or nonprofit agency or housing unit may apply for funds to provide a coordinator for ~~congregate housing~~ on-site coordination services to an identified population of frail elderly persons in a ~~subsidized multiunit apartment building or buildings in a community~~ designated service area. The ~~board commissioner~~ shall give preference to applicants that meet the requirements of this section, and that have a common dining site in the designated service area. A local match ~~may~~ shall be required. State money received may also be used to match federal money allocated for ~~congregate housing~~ on-site coordination services. Grants shall be awarded to urban and rural sites.

Subd. 6. [CRITERIA FOR SELECTION.] The ~~Minnesota board on aging~~ commissioner shall select projects under this section according to the following criteria:

(1) the extent to which the proposed project assists older persons to age-in-place to prevent or delay nursing home placement;

(2) the extent to which the proposed project identifies the needs of project participants;

(3) the extent to which the proposed project identifies how the on-site coordinator will help meet the needs of project participants;

(4) the extent to which the proposed project plan assures the availability of one meal a day, seven days a week, for each elderly participant in need in the designated service area;

(5) the extent to which the proposed project demonstrates involvement of participants, communities, and family members in the project; and

(6) the extent to which the proposed project demonstrates involvement coordination of housing providers community agencies and public and private service agencies, including area agencies on aging.

The commissioner shall consult with the county board of the county in which the project would be implemented, and shall not select any project without approval of the county board. A designated service area with a senior dining program may be given preference.

Subd. 7. [GRANT APPLICATIONS.] The ~~Minnesota board on aging~~ commissioner shall request proposals for grants and award grants using the criteria in subdivision 6. Grant applications shall include:

(1) documentation of the need for ~~congregate~~ on-site coordination services in the DSA so the residents can remain independent;

(2) a description of the resources, such as social services and health services, that will be available in the DSA community to provide the necessary support services;

(3) a description of the target population, as defined in subdivision 1, paragraph (d);

(4) a performance plan that includes written performance objectives, outcomes, timelines, and the procedure the grantee will use to document and measure success in meeting the objectives; and

(5) letters of support from appropriate public and private agencies and organizations, such as area agencies on aging and county human service departments that demonstrate an intent to ~~work with~~ collaborate and coordinate with the agency requesting a grant.

Subd. 8. [REPORT.] ~~By January 1, 1993, the Minnesota board on aging shall submit a report to the legislature evaluating the programs. The report must document the project costs and outcomes that helped delay or prevent nursing home placement. The report must describe steps taken for quality assurance and must also include recommendations based on the project findings. The commissioner shall collect data on a quarterly basis on the number of persons served and other factors relating to the goals, activities, and accomplishments of the projects. The commissioner shall provide this data in summary form to the legislature in annual reports, due January 1, 2001, and each January 1 thereafter. The annual reports must also include recommendations based on project findings.~~

Subd. 9. [TECHNICAL ASSISTANCE.] The commissioner may provide technical assistance to sponsors of on-site coordination services programs or may contract or delegate the provision of technical assistance.

Subd. 10. [OTHER AGENCIES.] The commissioner may delegate, use, or employ any federal, state, regional, or local public or private agency or organization, including organizations of physically handicapped persons, upon terms the commissioner deems necessary or desirable, to assist in the exercise of any of the powers granted in this section.

Sec. 15. Minnesota Statutes 1999 Supplement, section 256B.057, subdivision 3, is amended to read:

Subd. 3. [QUALIFIED MEDICARE BENEFICIARIES.] A person who is entitled to Part A Medicare benefits, whose income is equal to or less than 100 percent of the federal poverty guidelines, and whose assets are no more than ~~twice the asset limit used to determine eligibility for the supplemental security income program~~ \$10,000 for a single individual and \$18,000 for a married couple or family of two or more, is eligible for medical assistance reimbursement of Part A and Part B premiums, Part A and Part B coinsurance and deductibles, and cost-effective premiums for enrollment with a health maintenance organization or a competitive medical plan under section 1876 of the Social Security Act. Reimbursement of the Medicare coinsurance and deductibles, when added to the amount paid by Medicare, must not exceed the total rate the provider would have received for the same service or services if the person were a medical assistance recipient with Medicare coverage. Increases in benefits under Title II of the Social Security Act shall not be counted as income for purposes of this subdivision until the first day of the second full month following publication of the change in the federal poverty guidelines.

EFFECTIVE DATE: This section is effective October 1, 2000.

Sec. 16. Minnesota Statutes 1998, section 256B.0625, is amended by adding a subdivision to read:

Subd. 41. [MENTAL HEALTH PROFESSIONAL.] Notwithstanding Minnesota Rules, part 9505.0175, subpart 28, the definition of a mental health professional shall include a person who is qualified as specified in section 245.462, subdivision 18, clause (5); or 245.4871, subdivision 27, clause (5), for the purpose of this section and Minnesota Rules, parts 9505.0170 to 9505.0475.

Sec. 17. Minnesota Statutes 1999 Supplement, section 256B.094, subdivision 6, is amended to read:

Subd. 6. [MEDICAL ASSISTANCE REIMBURSEMENT OF CASE MANAGEMENT SERVICES.] (a) Medical assistance reimbursement for services under this section shall be made on a monthly basis. Payment is based on face-to-face or telephone contacts between the case manager and the client, client's family, primary caregiver, legal representative, or other relevant person identified as necessary to the development or implementation of the goals of the individual service plan regarding the status of the client, the individual service plan, or the goals for the client.

These contacts must meet the minimum standards in clauses (1) and (2):

(1) there must be a face-to-face contact at least once a month except as provided in clause (2); and

(2) for a client placed outside of the county of financial responsibility in an excluded time facility under section 256G.02, subdivision 6, or through the Interstate Compact on the Placement of Children, section 260.851, and the placement in either case is more than 60 miles beyond the county boundaries, there must be at least one contact per month and not more than two consecutive months without a face-to-face contact.

(b) Except as provided under paragraph (c), the payment rate is established using time study data on activities of provider service staff and reports required under sections 245.482, 256.01, subdivision 2, paragraph (17), and 256E.08, subdivision 8.

(c) Payments for tribes may be made according to section 256B.0625 or other relevant federally approved rate setting methodology for child welfare targeted case management provided by Indian health services and facilities operated by a tribe or tribal organization.

(d) Payment for case management provided by county or tribal social services contracted vendors shall be based on a monthly rate negotiated by the host county or tribal social services. The negotiated rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the county or tribal social services may negotiate a team rate with a vendor who is a member of the team. The team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county or tribal social services, except to reimburse the county or tribal social services for advance funding provided by the county or tribal social services to the vendor.

(e) If the service is provided by a team that includes contracted vendors and county or tribal social services staff, the costs for county or tribal social services staff participation in the team shall be included in the rate for county or tribal social services provided services. In this case, the contracted vendor and the county or tribal social services may each receive separate payment for services provided by each entity in the same month. To prevent duplication of services, each entity must document, in the recipient's file, the need for team case management and a description of the roles and services of the team members.

Separate payment rates may be established for different groups of providers to maximize reimbursement as determined by the commissioner. The payment rate will be reviewed annually and revised periodically to be consistent with the most recent time study and other data. Payment for services will be made upon submission of a valid claim and verification of proper documentation described in subdivision 7. Federal administrative revenue earned through the time study, or under paragraph (c), shall be distributed according to earnings, to counties, reservations, or groups of counties or reservations which have the same payment rate under this subdivision, and to the group of counties or reservations which are not certified providers under section 256F.10. The commissioner shall modify the requirements set out in Minnesota Rules, parts 9550.0300 to 9550.0370, as necessary to accomplish this.

Sec. 18. Minnesota Statutes 1999 Supplement, section 256B.431, subdivision 17, is amended to read:

Subd. 17. [SPECIAL PROVISIONS FOR MORATORIUM EXCEPTIONS.] (a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 3, for rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, a nursing facility that (1) has completed a construction project approved under section 144A.071, subdivision 4a, clause (m); (2) has completed a construction project approved under section 144A.071, subdivision 4a, and effective after June 30, 1995; or (3) has completed a renovation, replacement, or upgrading project approved under the moratorium exception process in section 144A.073 shall be reimbursed for costs directly identified to that project as provided in subdivision 16 and this subdivision.

(b) Notwithstanding Minnesota Rules, part 9549.0060, subparts 5, item A, subitems (1) and (3), and 7, item D, allowable interest expense on debt shall include:

(1) interest expense on debt related to the cost of purchasing or replacing depreciable equipment, excluding vehicles, not to exceed six percent of the total historical cost of the project; and

(2) interest expense on debt related to financing or refinancing costs, including costs related to points, loan origination fees, financing charges, legal fees, and title searches; and issuance costs including bond discounts, bond counsel, underwriter's counsel, corporate counsel, printing, and financial forecasts. Allowable debt related to items in this clause shall not exceed seven percent of the total historical cost of the project. To the extent these costs are financed, the straight-line amortization of the costs in this clause is not an allowable cost; and

(3) interest on debt incurred for the establishment of a debt reserve fund, net of the interest earned on the debt reserve fund.

(c) Debt incurred for costs under paragraph (b) is not subject to Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (5) or (6).

(d) The incremental increase in a nursing facility's rental rate, determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, resulting from the acquisition of allowable capital assets, and allowable debt and interest expense under this subdivision shall be added to its property-related payment rate and shall be effective on the first day of the month following the month in which the moratorium project was completed.

(e) Notwithstanding subdivision 3f, paragraph (a), for rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, the replacement-costs-new per bed limit to be used in Minnesota Rules, part 9549.0060, subpart 4, item B, for a nursing facility that has completed a renovation, replacement, or upgrading project that has been approved under the moratorium exception process in section 144A.073, or that has completed an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost exceeds the lesser of \$150,000 or ten percent of the most recent appraised value, must be \$47,500 per licensed bed in multiple-bed rooms and \$71,250 per licensed bed in a single-bed room. These amounts must be adjusted annually as specified in subdivision 3f, paragraph (a), beginning January 1, 1993.

(f) A nursing facility that completes a project identified in this subdivision and, as of April 17, 1992, has not been mailed a rate notice with a special appraisal for a completed project, or completes a project after April 17, 1992, but before September 1, 1992, may elect either to request a special reappraisal with the corresponding adjustment to the property-related payment rate under the laws in effect on June 30, 1992, or to submit their capital asset and debt information after that date and obtain the property-related payment rate adjustment under this section, but not both.

(g) For purposes of this paragraph, a total replacement means the complete replacement of the nursing facility's physical plant through the construction of a new physical plant ~~or~~ the transfer of the nursing facility's license from one physical plant location to another, or a new building addition to relocate beds from three- and four-bed wards. For total replacement projects completed on or after July 1, 1992, the commissioner shall compute the incremental change in the nursing facility's rental per diem, for rate years beginning on or after July 1, 1995, by replacing its appraised value, including the historical capital asset costs, and the capital debt and interest costs with the new nursing facility's allowable capital asset costs and the related allowable capital debt and interest costs. If the new nursing facility has decreased its licensed capacity, the aggregate investment per bed limit in subdivision 3a, paragraph (d), shall apply. If the new nursing facility has retained a portion of the original physical plant for nursing facility usage, then a portion of the appraised value prior to the replacement must be retained and included in the calculation of the incremental change in the nursing facility's rental per diem. For purposes of this part, the original nursing facility means the nursing facility prior to the total replacement project. The portion of the appraised value to be retained shall be calculated according to clauses (1) to (3):

(1) The numerator of the allocation ratio shall be the square footage of the area in the original physical plant which is being retained for nursing facility usage.

(2) The denominator of the allocation ratio shall be the total square footage of the original nursing facility physical plant.

(3) Each component of the nursing facility's allowable appraised value prior to the total replacement project shall be multiplied by the allocation ratio developed by dividing clause (1) by clause (2).

In the case of either type of total replacement as authorized under section 144A.071 or 144A.073, the provisions of this subdivision shall also apply. For purposes of the moratorium exception authorized under section 144A.071, subdivision 4a, paragraph (s), if the total replacement involves the renovation and use of an existing health care facility physical plant, the new allowable capital asset costs and related debt and interest costs shall include first the allowable capital asset costs and related debt and interest costs of the renovation, to which shall be added the allowable capital asset costs of the existing physical plant prior to the renovation, and if reported by the facility, the related allowable capital debt and interest costs.

(h) Notwithstanding Minnesota Rules, part 9549.0060, subpart 11, item C, subitem (2), for a total replacement, as defined in paragraph (g), authorized under section 144A.071 or 144A.073 after July 1, 1999, or any building project that is a relocation, renovation, upgrading, or conversion authorized under section 144A.073, after July 1, 2001, the replacement-costs-new per bed limit shall be \$74,280 per licensed bed in multiple-bed rooms, \$92,850 per licensed bed in semiprivate rooms with a fixed partition separating the resident beds, and \$111,420 per licensed bed in single rooms. Minnesota Rules, part 9549.0060, subpart 11, item C, subitem (2), does not apply. These amounts must be adjusted annually as specified in subdivision 3f, paragraph (a), beginning January 1, 2000.

(i) For a total replacement, as defined in paragraph (g), authorized under section 144A.073 for a 96-bed nursing home in Carlton county, the replacement-costs-new per bed limit shall be \$74,280 per licensed bed in multiple-bed rooms, \$92,850 per licensed bed in semiprivate rooms with a fixed partition separating the resident's beds, and \$111,420 per licensed bed in a single room. Minnesota Rules, part 9549.0060, subpart 11, item C, subitem (2), does not apply. The resulting maximum allowable replacement-costs-new multiplied by 1.25 shall constitute the project's dollar threshold for purposes of application of the limit set forth in section 144A.071, subdivision 2. The commissioner of health may waive the requirements of section 144A.073, subdivision 3b, paragraph (b), clause (2), on the condition that the other requirements of that paragraph are met.

(j) For a total replacement, as defined in paragraph (g), authorized under section 144A.073 involving a new building addition that relocates beds from three-bed wards for an 80-bed nursing home in Redwood county, the replacement-costs-new per bed limit shall be \$74,280 per licensed bed for multiple-bed rooms; \$92,850 per licensed bed for semiprivate rooms with a fixed partition separating the beds; and \$111,420 per licensed bed for single rooms. These amounts shall be adjusted annually, beginning January 1, 2001. Minnesota Rules, part 9549.0060, subpart 11, item C, subitem (2), does not apply. The resulting maximum allowable replacement-costs-new multiplied by 1.25 shall constitute the project's dollar threshold for purposes of application of the limit set forth in section 144A.071, subdivision 2. The commissioner of health may waive the requirements of section 144A.073, subdivision 3b, paragraph (b), clause (2), on the condition that the other requirements of that paragraph are met.

Sec. 19. Minnesota Statutes 1999 Supplement, section 256B.431, subdivision 28, is amended to read:

Subd. 28. [NURSING FACILITY RATE INCREASES BEGINNING JULY 1, 1999, AND JULY 1, 2000.] (a) For the rate years beginning July 1, 1999, and July 1, 2000, the commissioner shall make available to each nursing facility reimbursed under this section or section 256B.434 an adjustment to the total operating payment rate. For nursing facilities reimbursed under this section or section 256B.434, the July 1, 2000, operating payment rate increases provided in this subdivision shall be applied to each facility's June 30, 2000, operating payment rate. For each facility, total operating costs shall be separated into costs that are compensation related and all other costs. Compensation-related costs include salaries, payroll taxes, and fringe benefits for all employees except management fees, the administrator, and central office staff.

(b) For the rate year beginning July 1, 1999, the commissioner shall make available a rate increase for compensation-related costs of 4.843 percent and a rate increase for all other operating costs of 3.446 percent.

(c) For the rate year beginning July 1, 2000, the commissioner shall make available:

(1) a rate increase for compensation-related costs of 3.632 percent;

(2) an additional rate increase which must be used to increase the per-hour pay rate of all employees except management fees, the administrator, and central office staff by an equal dollar amount and to pay associated costs for FICA, the Medicare tax, workers' compensation premiums, and federal and state unemployment insurance, to be calculated according to clauses (i) to (iii):

(i) the commissioner shall calculate the arithmetic mean of the eleven June 30, 2000, operating rates for each facility;

(ii) the commissioner shall construct an array of nursing facilities from highest to lowest, according to the arithmetic mean calculated in clause (i). A numerical rank shall be assigned to each facility in the array. The facility with the highest mean shall be assigned a numerical rank of one. The facility with the lowest mean shall be assigned a numerical rank equal to the total number of nursing facilities in the array. All other facilities shall be assigned a numerical rank in accordance with their position in the array;

(iii) the amount of the additional rate increase shall be \$1 plus an amount equal to \$3.13 multiplied by the ratio of the facility's numeric rank divided by the number of facilities in the array; and

(3) a rate increase for all other operating costs of 2.585 percent.

Money received by a facility as a result of the additional rate increase provided under clause (2) shall be used only for wage increases implemented on or after July 1, 2000, and shall not be used for wage increases implemented prior to that date.

(d) The payment rate adjustment for each nursing facility must be determined under clause (1) or (2):

(1) for each nursing facility that reports salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the commissioner shall determine the payment rate adjustment using the categories specified in paragraph (a) multiplied by the rate increases specified in paragraph (b) or (c), and then dividing the resulting amount by the nursing facility's actual resident days. In determining the amount of a payment rate adjustment for a nursing facility reimbursed under section 256B.434, the commissioner shall determine the proportions of the facility's rates that are compensation-related costs and all other operating costs based on the facility's most recent cost report; and

(2) for each nursing facility that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the payment rate adjustment shall be computed using the facility's total operating costs, separated into the categories specified in paragraph (a) in proportion to the weighted average of all facilities determined under clause (1), multiplied by the rate increases specified in paragraph (b) or (c), and then dividing the resulting amount by the nursing facility's actual resident days.

(e) A nursing facility may apply for the compensation-related payment rate adjustment calculated under this subdivision. The application must be made to the commissioner and contain a plan by which the nursing facility will distribute the compensation-related portion of the payment rate adjustment to employees of the nursing facility. For nursing facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. For the second rate year, a negotiated agreement constitutes the plan only if the agreement is finalized after the date of enactment of all rate increases for the second rate year. The commissioner shall review the plan to ensure that

the payment rate adjustment per diem is used as provided in paragraphs (a) to (c). To be eligible, a facility must submit its plan for the compensation distribution by December 31 each year. A facility may amend its plan for the second rate year by submitting a revised plan by December 31, 2000. If a facility's plan for compensation distribution is effective for its employees after July 1 of the year that the funds are available, the payment rate adjustment per diem shall be effective the same date as its plan.

(f) A copy of the approved distribution plan must be made available to all employees. This must be done by giving each employee a copy or by posting it in an area of the nursing facility to which all employees have access. If an employee does not receive the compensation adjustment described in their facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or phone number provided by the commissioner and included in the approved plan.

(g) If the reimbursement system under section 256B.435 is not implemented until July 1, 2001, the salary adjustment per diem authorized in subdivision 2i, paragraph (c), shall continue until June 30, 2001.

(h) For the rate year beginning July 1, 1999, the following nursing facilities shall be allowed a rate increase equal to 67 percent of the rate increase that would be allowed if subdivision 26, paragraph (a), was not applied:

- (1) a nursing facility in Carver county licensed for 33 nursing home beds and four boarding care beds;
- (2) a nursing facility in Faribault county licensed for 159 nursing home beds on September 30, 1998; and
- (3) a nursing facility in Houston county licensed for 68 nursing home beds on September 30, 1998.

(i) For the rate year beginning July 1, 1999, the following nursing facilities shall be allowed a rate increase equal to 67 percent of the rate increase that would be allowed if subdivision 26, paragraphs (a) and (b), were not applied:

- (1) a nursing facility in Chisago county licensed for 135 nursing home beds on September 30, 1998; and
- (2) a nursing facility in Murray county licensed for 62 nursing home beds on September 30, 1998.

(j) For the rate year beginning July 1, 1999, a nursing facility in Hennepin county licensed for 134 beds on September 30, 1998, shall:

(1) have the prior year's allowable care-related per diem increased by \$3.93 and the prior year's other operating cost per diem increased by \$1.69 before adding the inflation in subdivision 26, paragraph (d), clause (2); and

(2) be allowed a rate increase equal to 67 percent of the rate increase that would be allowed if subdivision 26, paragraphs (a) and (b), were not applied.

The increases provided in paragraphs (h), (i), and (j) shall be included in the facility's total payment rates for the purposes of determining future rates under this section or any other section.

Sec. 20. Minnesota Statutes 1998, section 256B.431, is amended by adding a subdivision to read:

Subd. 29. [FACILITY RATE INCREASES EFFECTIVE JULY 1, 2000.] Following the determination under subdivision 28 of the payment rate for the rate year beginning July 1, 2000, for a facility in Roseau county licensed for 49 beds, the facility's operating cost per diem shall be increased by the following amounts:

- (1) case mix class A, \$1.97;
- (2) case mix class B, \$2.11;

- (3) case mix class C, \$2.26;
- (4) case mix class D, \$2.39;
- (5) case mix class E, \$2.54;
- (6) case mix class F, \$2.55;
- (7) case mix class G, \$2.66;
- (8) case mix class H, \$2.90;
- (9) case mix class I, \$2.97;
- (10) case mix class J, \$3.10; and
- (11) case mix class K, \$3.36.

These increases shall be included in the facility's total payment rates for the purpose of determining future rates under this section or any other section.

Sec. 21. Minnesota Statutes 1998, section 256B.431, is amended by adding a subdivision to read:

Subd. 30. [BED LAYAWAY AND DELICENSURE.] (a) For rate years beginning on or after July 1, 2000, a nursing facility reimbursed under this section which has placed beds on layaway shall, for purposes of application of the downsizing incentive in subdivision 3a, paragraph (d), and calculation of the rental per diem, have those beds given the same effect as if the beds had been delicensed so long as the beds remain on layaway. At the time of a layaway, a facility may change its single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11. The property payment rate increase shall be effective the first day of the month following the month in which the layaway of the beds becomes effective under section 144A.071, subdivision 4b.

(b) For rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434, a nursing facility reimbursed under that section which has placed beds on layaway shall, for so long as the beds remain on layaway, be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) retain or change the facility's single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11; and

(3) establish capacity days based on the number of beds immediately prior to the layaway and the number of beds after the layaway.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the layaway of beds and clauses (1), (2), and (3). If a facility reimbursed under section 256B.434 completes a moratorium exception project after its base year, the base year property rate shall be the moratorium project property rate. The base year rate shall be inflated by the factors in section 256B.434, subdivision 4, paragraph (c). The property payment rate increase shall be effective the first day of the month following the month in which the layaway of the beds becomes effective.

(c) If a nursing facility removes a bed from layaway status in accordance with section 144A.071, subdivision 4b, the commissioner shall establish capacity days based on the number of licensed and certified beds in the facility not on layaway and shall reduce the nursing facility's property payment rate in accordance with paragraph (b).

(d) For the rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434, a nursing facility reimbursed under that section, which has delicensed beds after July 1, 2000, by giving notice of the delicensure to the commissioner of health according to the notice requirements in section 144A.071, subdivision 4b, shall be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) retain or change the facility's single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11; and

(3) establish capacity days based on the number of beds immediately prior to the delicensure and the number of beds after the delicensure.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the delicensure of beds and clauses (1), (2), and (3). If a facility reimbursed under section 256B.434 completes a moratorium exception project after its base year, the base year property rate shall be the moratorium project property rate. The base year rate shall be inflated by the factors in section 256B.434, subdivision 4, paragraph (c). The property payment rate increase shall be effective the first day of the month following the month in which the delicensure of the beds becomes effective.

(e) For nursing facilities reimbursed under this section or section 256B.434, any beds placed on layaway shall not be included in calculating facility occupancy as it pertains to leave days defined in Minnesota Rules, part 9505.0415.

(f) For nursing facilities reimbursed under this section or section 256B.434, the rental rate calculated after placing beds on layaway may not be less than the rental rate prior to placing beds on layaway.

(g) A nursing facility receiving a rate adjustment as a result of this section shall comply with section 256B.47, subdivision 2.

(h) A facility that does not utilize the space made available as a result of bed layaway or delicensure under this subdivision to reduce the number of beds per room or provide more common space for nursing facility uses or perform other activities related to the operation of the nursing facility shall have its property rate increase calculated under this subdivision reduced by the ratio of the square footage made available that is not used for these purposes to the total square footage made available as a result of bed layaway or delicensure.

Sec. 22. Minnesota Statutes 1998, section 256B.434, is amended by adding a subdivision to read:

Subd. 4b. [FACILITY RATE INCREASES EFFECTIVE JULY 1, 2000.] For the rate year beginning July 1, 2000, the nursing facilities described in clauses (1) to (6) shall receive the rate increases indicated. The increases under this subdivision shall be added following the determination under section 256B.431, subdivision 28, of the payment rate for the rate year beginning July 1, 2000, and shall be included in the facility's total payment rates for the purposes of determining future rates under this section or any other section:

(1) a nursing facility in Hennepin county licensed for 290 beds shall receive an operating cost per diem increase of 5.9 percent, provided that the facility delicensures, decertifies, or places on layaway status, if that status is otherwise permitted by law, 70 beds;

(2) a nursing facility in Goodhue county licensed for 84 beds shall receive an increase of \$1.54 in each case mix payment rate;

(3) a nursing facility located in Rochester and licensed for 103 beds on January 1, 2000, shall receive an increase in its case mix resident class A payment of \$3.78, and an increase in the payment rate for all other case mix classes of that amount multiplied by the class weight for that case mix class established in Minnesota Rules, part 9549.0058, subpart 3;

(4) a nursing facility in Wright county licensed for 154 beds shall receive an increase of \$2.03 in each case mix payment rate to be used for employee wage and benefit enhancements;

(5) a facility in Todd county licensed for 78 beds, shall have its operating cost per diem increased by the following amounts:

(i) case mix class A, \$1.16;

(ii) case mix class B, \$1.50;

(iii) case mix class C, \$1.89;

(iv) case mix class D, \$2.26;

(v) case mix class E, \$2.63;

(vi) case mix class F, \$2.65;

(vii) case mix class G, \$2.96;

(viii) case mix class H, \$3.55;

(ix) case mix class I, \$3.76;

(x) case mix class J, \$4.08; and

(xi) case mix class K, \$4.76; and

(6) a nursing facility in Pine City that decertified 22 beds in calendar year 1999 shall have its property-related per diem payment rate increased by \$1.59.

Sec. 23. Minnesota Statutes 1998, section 256B.501, is amended by adding a subdivision to read:

Subd. 13. [ICF/MR RATE INCREASES BEGINNING OCTOBER 1, 1999, AND OCTOBER 1, 2000.] (a) For the rate years beginning October 1, 1999, and October 1, 2000, the commissioner shall make available to each facility reimbursed under this section, section 256B.5011, and Laws 1993, First Special Session chapter 1, article 4, section 11, an adjustment to the total operating payment rate. For each facility, total operating costs shall be separated into costs that are compensation related and all other costs. "Compensation-related costs" means the facility's allowable program operating cost category employee training expenses and the facility's allowable salaries, payroll taxes, and fringe benefits. The term does not include these same salary-related costs for both administrative or central office employees.

For the purpose of determining the adjustment to be granted under this subdivision, the commissioner must use the most recent cost report that has been subject to desk audit.

(b) For the rate year beginning October 1, 1999, the commissioner shall make available a rate increase for compensation-related costs of 4.6 percent and a rate increase for all other operating costs of 3.2 percent.

(c) For the rate year beginning October 1, 2000, the commissioner shall make available:

(1) a rate increase for compensation related costs of 6.5 percent, 45 percent of which shall be used to increase the per-hour pay rate of all employees except administrative and central office employees by an equal dollar amount and to pay associated costs for FICA, the Medicare tax, workers' compensation premiums, and federal and state unemployment insurance provided that this portion of the compensation-related increase shall be used only for wage increases implemented on or after October 1, 2000, and shall not be used for wage increases implemented prior to that date; and

(2) a rate increase for all other operating costs of two percent.

(d) For each facility, the commissioner shall determine the payment rate adjustment using the categories specified in paragraph (a) multiplied by the rate increases specified in paragraph (b) or (c), and then dividing the resulting amount by the facility's actual resident days.

(e) Any facility whose payment rates are governed by closure agreements, receivership agreements, or Minnesota Rules, part 9553.0075, are not eligible for an adjustment otherwise granted under this subdivision.

(f) A facility may apply for the compensation-related payment rate adjustment calculated under this subdivision. The application must be made to the commissioner and contain a plan by which the facility will distribute the compensation-related portion of the payment rate adjustment to employees of the facility. For facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. For the second rate year, a negotiated agreement may constitute the plan only if the agreement is finalized after the date of enactment of all rate increases for the second rate year. The commissioner shall review the plan to ensure that the payment rate adjustment per diem is used as provided in this subdivision. To be eligible, a facility must submit its plan for the compensation distribution by December 31 each year. A facility may amend its plan for the second rate year by submitting a revised plan by December 31, 2000. If a facility's plan for compensation distribution is effective for its employees after October 1 of the year that the funds are available, the payment rate adjustment per diem shall be effective the same date as its plan.

(g) A copy of the approved distribution plan must be made available to all employees. This must be done by giving each employee a copy or by posting it in an area of the facility to which all employees have access. If an employee does not receive the compensation adjustment described in their facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or telephone number provided by the commissioner and included in the approved plan.

Sec. 24. Minnesota Statutes 1999 Supplement, section 256B.69, subdivision 5b, is amended to read:

Subd. 5b. [PROSPECTIVE REIMBURSEMENT RATES.] (a) For prepaid medical assistance and general assistance medical care program contract rates set by the commissioner under subdivision 5 and effective on or after January 1, 1998, capitation rates for nonmetropolitan counties shall on a weighted average be no less than 88 percent of the capitation rates for metropolitan counties, excluding Hennepin county. The commissioner shall make a pro rata adjustment in capitation rates paid to counties other than nonmetropolitan counties in order to make this provision budget neutral.

(b) For prepaid medical assistance program contract rates set by the commissioner under subdivision 5 and effective on or after January 1, 2001, capitation rates for nonmetropolitan counties shall, on a weighted average, be no less than 89 percent of the capitation rates for metropolitan counties, excluding Hennepin county.

(c) This subdivision shall not affect the nongeographically based risk adjusted rates established under section 62Q.03, subdivision 5a, paragraph (f).

Sec. 25. Minnesota Statutes 1999 Supplement, section 256B.69, subdivision 5c, is amended to read:

Subd. 5c. [MEDICAL EDUCATION AND RESEARCH FUND.] (a) Beginning in January 1999 and each year thereafter:

(1) the commissioner of human services shall transfer an amount equal to the reduction in the prepaid medical assistance and prepaid general assistance medical care payments resulting from clause (2), excluding nursing facility and elderly waiver payments and demonstration projects operating under subdivision 23, to the medical education and research fund established under section 62J.692;

(2) until January 1, 2002, the county medical assistance and general assistance medical care capitation base rate prior to plan specific adjustments and after the regional rate adjustments under section 256B.69, subdivision 5b, shall be reduced 6.3 percent for Hennepin county, two percent for the remaining metropolitan counties, and no reduction for nonmetropolitan Minnesota counties; and after January 1, 2002, the county medical assistance and general assistance medical care capitation base rate prior to plan specific adjustments shall be reduced 6.3 percent for Hennepin county, two percent for the remaining metropolitan counties, and 1.6 percent for nonmetropolitan Minnesota counties; and

(3) the amount calculated under clause (1) shall not be adjusted for subsequent changes to the capitation payments for periods already paid.

(b) This subdivision shall be effective upon approval of a federal waiver which allows federal financial participation in the medical education and research fund.

Sec. 26. Minnesota Statutes 1998, section 256B.69, subdivision 5d, is amended to read:

Subd. 5d. [MODIFICATION OF PAYMENT DATES EFFECTIVE JANUARY 1, 2001.] Effective for services rendered on or after January 1, 2001, capitation payments under this section and under section 256D.03 for services provided in the month of June shall be made no earlier than the first day after the month of service.

Sec. 27. Minnesota Statutes 1998, section 256L.05, subdivision 5, is amended to read:

Subd. 5. [AVAILABILITY OF PRIVATE INSURANCE.] The commissioner, in consultation with the commissioners of health and commerce, shall provide information regarding the availability of private health insurance coverage and the possibility of disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), to all: (1) families and individuals enrolled in the MinnesotaCare program whose gross family income is equal to or more than 200 225 percent of the federal poverty guidelines; and (2) single adults and households without children enrolled in the MinnesotaCare program whose gross family income is equal to or more than 165 percent of the federal poverty guidelines. This information must be provided upon initial enrollment and annually thereafter. The commissioner shall also include information regarding the availability of private health insurance coverage in the notice of ineligibility provided to persons subject to disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c).

Sec. 28. Laws 1997, chapter 225, article 4, section 4, as amended by Laws 1999, chapter 245, article 4, section 104, is amended to read:

Sec. 4. [~~SENIOR~~ PRESCRIPTION DRUG PROGRAM.]

The commissioner shall report to the legislature the estimated costs of the senior prescription drug program without funding caps. The report shall be included as part of the November and February forecasts.

The commissioner of finance shall annually reimburse the general fund with health care access funds for the estimated increased costs in the QMB/SLMB program directly associated with the ~~senior~~ prescription drug program. This reimbursement shall sunset June 30, 2001.

Sec. 29. Laws 1999, chapter 245, article 1, section 2, subdivision 8, is amended to read:

Subd. 8. Continuing Care and Community Support Grants

General	1,174,195,000	1,259,767,000
Lottery Prize	1,158,000	1,158,000

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

(a) Community Social Services Block Grants

	42,597,000	43,498,000
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[CSSA TRADITIONAL APPROPRIATION.] Notwithstanding Minnesota Statutes, section 256E.06, subdivisions 1 and 2, the appropriations available under that section in fiscal years 2000 and 2001 must be distributed to each county proportionately to the aid received by the county in calendar year 1998. The commissioner, in consultation with counties, shall study the formula limitations in subdivision 2 of that section, and report findings and any recommendations for revision of the CSSA formula and its formula limitation provisions to the legislature by January 15, 2000.

(b) Consumer Support Grants

	1,123,000	1,123,000
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(c) Aging Adult Service Grants

	7,965,000	7,765,000
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[LIVING-AT-HOME/BLOCK NURSE PROGRAM.] Of the general fund appropriation, \$120,000 in fiscal year 2000 and \$120,000 in fiscal year 2001 is for the commissioner to provide funding to six additional living-at-home/block nurse programs. This appropriation shall become part of the base for the 2002-2003 biennium.

[MINNESOTA SENIOR SERVICE CORPS.] Of this appropriation, \$160,000 for the biennium is from the general fund to the commissioner for the following purposes:

(a) \$40,000 in fiscal year 2000 and \$40,000 in fiscal year 2001 is to increase the hourly stipend by ten cents per hour in the foster grandparent program, the retired and senior volunteer program, and the senior companion program.

(b) \$40,000 in fiscal year 2000 and \$40,000 in fiscal year 2001 is for a grant to the tri-valley opportunity council in Crookston to expand services in the ten-county area of northwestern Minnesota.

(c) This appropriation shall become part of the base for the 2002-2003 biennium.

[HEALTH INSURANCE COUNSELING.] Of this appropriation, \$100,000 in fiscal year 2000 and \$100,000 in fiscal year 2001 is from the general fund to the commissioner to transfer to the board on aging for the purpose of awarding health insurance counseling and assistance grants to the area agencies on aging providing state-funded health insurance counseling services. Access to health insurance counseling programs shall be provided by the senior linkage line service of the board on aging and the area agencies on aging. The board on aging shall explore opportunities for obtaining alternative funding from nonstate sources, including contributions from individuals seeking health insurance counseling services. This is a one-time appropriation and shall not become part of base level funding for this activity for the 2002-2003 biennium.

(d) Deaf and Hard-of-Hearing Services Grants

1,859,000	1,760,000
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[SERVICES TO DEAF PERSONS WITH MENTAL ILLNESS.] Of this appropriation, \$100,000 each year is to the commissioner for a grant to a nonprofit agency that currently serves deaf and hard-of-hearing adults with mental illness through residential programs and supported housing outreach. The grant must be used to operate a community support program for persons with mental illness that is communicatively accessible for persons who are deaf or hard-of-hearing. This is a one-time appropriation and shall not become part of base level funding for this activity for the 2002-2003 biennium.

[DEAF-BLIND ORIENTATION AND MOBILITY SERVICES.] Of this appropriation, \$120,000 for the biennium is to the commissioner for a grant to DeafBlind Services Minnesota to hire an orientation ~~and~~ mobility, ~~and~~ deaf-blind specialist to work with deaf-blind people ~~and for related costs~~. The specialist will provide services to deaf-blind Minnesotans, and training to teachers and rehabilitation counselors, on a statewide basis. ~~This is a one-time appropriation and shall not become part of base level funding for this activity for the 2002-2003 biennium. Notwithstanding section 13, this paragraph expires on June 30, 2003.~~

(e) Mental Health Grants

General	45,169,000	46,528,000
Lottery Prize	1,158,000	1,158,000

[CRISIS HOUSING.] Of the general fund appropriation, \$126,000 in fiscal year 2000 and \$150,000 in fiscal year 2001 is to the commissioner for the adult mental illness crisis housing assistance program under Minnesota Statutes, section 245.99. This appropriation shall become part of the base for the 2002-2003 biennium.

[ADOLESCENT COMPULSIVE GAMBLING GRANT.] \$150,000 in fiscal year 2000 and \$150,000 in fiscal year 2001 is appropriated from the lottery prize fund created under Minnesota Statutes, section 349A.10, subdivision 2, to the commissioner for the purposes of a grant to a compulsive gambling council located in St. Louis county for a statewide compulsive gambling prevention and education project for adolescents.

(f) Developmental Disabilities Community Support Grants

9,323,000	10,958,000
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[CRISIS INTERVENTION PROJECT.] Of this appropriation, \$40,000 in fiscal year 2000 is to the commissioner for the action, support, and prevention project of southeastern Minnesota.

[SILS FUNDING.] Of this appropriation, \$1,000,000 each year is for semi-independent living services under Minnesota Statutes, section 252.275. This appropriation must be added to the base level funding for this activity for the 2002-2003 biennium. Unexpended funds for fiscal year 2000 do not cancel but are available to the commissioner for this purpose in fiscal year 2001.

[FAMILY SUPPORT GRANTS.] Of this appropriation, \$1,000,000 in fiscal year 2000 and \$2,500,000 in fiscal year 2001 is to increase the availability of family support grants under Minnesota Statutes, section 252.32. This appropriation must be added to the base level funding for this activity for the 2002-2003 biennium. Unexpended funds for fiscal year 2000 do not cancel but are available to the commissioner for this purpose in fiscal year 2001.

(g) Medical Assistance Long-Term Care Waivers and Home Care

349,052,000	414,240,000
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[PROVIDER RATE INCREASES.] (a) The commissioner shall increase reimbursement rates by four percent the first year of the biennium and by ~~three~~ 5.9 percent the second year for the providers listed in paragraph (b). The increases shall be effective for services rendered on or after July 1 of each year.

(b) The rate increases described in this section shall be provided to home and community-based waived services for persons with mental retardation or related conditions under Minnesota Statutes, section 256B.501; home and community-based waived services

for the elderly under Minnesota Statutes, section 256B.0915; waived services under community alternatives for disabled individuals under Minnesota Statutes, section 256B.49; community alternative care waived services under Minnesota Statutes, section 256B.49; traumatic brain injury waived services under Minnesota Statutes, section 256B.49; nursing services and home health services under Minnesota Statutes, section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivision 19a; private-duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7; day training and habilitation services for adults with mental retardation or related conditions under Minnesota Statutes, sections 252.40 to 252.46; alternative care services under Minnesota Statutes, section 256B.0913; adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760; semi-independent living services under Minnesota Statutes, section 252.275, including SILS funding under county social services grants formerly funded under Minnesota Statutes, chapter 256I; and community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication.

(c) The commissioner shall increase reimbursement rates by two percent for the group residential housing supplementary service rate under Minnesota Statutes, section 256I.05, subdivision 1a, for services rendered on or after January 1, 2000.

(d) Providers that receive a rate increase under this section shall use at least 80 percent of the additional revenue the first year to increase the compensation paid to employees other than the administrator and central office staff. In the second year, providers must use the additional revenue as follows:

(1) at least 41 percent to increase the compensation paid to employees other than the administrator and central office staff;

(2) at least 49 percent to increase the per-hour pay rate of all employees other than the administrator and central office staff by an equal dollar amount and to pay associated costs for FICA, the Medicare tax, workers' compensation premiums, and federal and state unemployment insurance. For public employees, the portion of this increase reserved to increase the per-hour pay rate for certain staff by an equal dollar amount shall be available and pay rates shall be increased only to the extent that they comply with laws governing public employees collective bargaining. Money received by a provider as a result of the additional rate increase described in this clause shall be used only for wage increases implemented on or after July 1, 2000, and shall not be used for wage increases implemented prior to that date; and

(3) up to ten percent for other purposes.

(e) A copy of the provider's plan for complying with paragraph (d) must be made available to all employees. This must be done by giving each employee a copy or by posting it in an area of the provider's operation to which all employees have access. If an employee does not receive the salary adjustment described in the plan and is unable to resolve the problem with the provider, the employee may contact the employee's union representative. If the employee is not covered by a collective bargaining agreement, the employee may contact the commissioner at a phone number provided by the commissioner and included in the provider's plan.

(f) Section 13, sunset of uncodified language, does not apply to this provision.

[DEVELOPMENTAL DISABILITIES WAIVER SLOTS.] Of this appropriation, \$1,746,000 in fiscal year 2000 and \$4,683,000 in fiscal year 2001 is to increase the availability of home and community-based waiver services for persons with mental retardation or related conditions.

(h) Medical Assistance Long-Term Care Facilities

546,228,000	558,349,000
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[MORATORIUM EXCEPTIONS.] Of this appropriation, \$250,000 in fiscal year 2000 and \$250,000 in fiscal year 2001 is from the general fund to the commissioner for the medical assistance costs of moratorium exceptions approved by the commissioner of health under Minnesota Statutes, section 144A.073. Unexpended money appropriated for fiscal year 2000 shall not cancel but shall be available for fiscal year 2001.

[NURSING FACILITY OPERATED BY THE RED LAKE BAND OF CHIPPEWA INDIANS.] (1) The medical assistance payment rates for the 47-bed nursing facility operated by the Red Lake Band of Chippewa Indians must be calculated according to allowable reimbursement costs under the medical assistance program, as specified in Minnesota Statutes, section 246.50, and are subject to the facility-specific Medicare upper limits.

(2) In addition, the commissioner shall make available an operating payment rate adjustment effective July 1, 1999, and July 1, 2000, that is equal to the adjustment provided under Minnesota Statutes, section 256B.431, subdivision 28. The commissioner must use the facility's final 1998 and 1999 Medicare cost reports, respectively, to calculate the adjustment. The adjustment shall be available based on a plan submitted and approved according to Minnesota Statutes, section 256B.431, subdivision 28. Section 13, sunset of uncodified language, does not apply to this paragraph.

[COSTS RELATED TO FACILITY CERTIFICATION.] Of this appropriation, \$168,000 is for the costs of providing one-half the state share of medical assistance reimbursement for residential and day habilitation services under article 3, section 39. This amount is available the day following final enactment.

(i) Alternative Care Grants

General	60,873,000	59,981,000
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[ALTERNATIVE CARE TRANSFER.] Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but shall be transferred to the medical assistance account.

[PREADMISSION SCREENING AMOUNT.] The preadmission screening payment to all counties shall continue at the payment amount in effect for fiscal year 1999.

[ALTERNATIVE CARE APPROPRIATION.] The commissioner may expend the money appropriated for the alternative care program for that purpose in either year of the biennium.

(j) Group Residential Housing

General	66,477,000	70,390,000
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[GROUP RESIDENTIAL FACILITY FOR WOMEN IN RAMSEY COUNTY.] (a) Notwithstanding Minnesota Statutes 1998, section 256I.05, subdivision 1d, the new 23-bed group residential facility for women in Ramsey county, with approval by the county agency, may negotiate a supplementary service rate in addition to the board and lodging rate for facilities licensed and registered by the Minnesota department of health under Minnesota Statutes, section 15.17. The supplementary service rate shall not exceed \$564 per person per month and the total rate may not exceed \$1,177 per person per month.

(b) Of the general fund appropriation, \$19,000 in fiscal year 2000 and \$38,000 in fiscal year 2001 is to the commissioner for the costs associated with paragraph (a). This appropriation shall become part of the base for the 2002-2003 biennium.

(k) Chemical Dependency Entitlement Grants

General	36,751,000	38,847,000
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(l) Chemical Dependency Nonentitlement Grants

General	6,778,000	6,328,000
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[CHEMICAL DEPENDENCY SERVICES.] Of this appropriation, \$450,000 in fiscal year 2000 is to the commissioner for chemical dependency services to persons who qualify under Minnesota Statutes, section 254B.04, subdivision 1, paragraph (b).

Sec. 30. Laws 1999, chapter 245, article 10, section 10, is amended to read:

Sec. 10. [REPEALER.]

(a) Minnesota Statutes 1998, section 256.973, is repealed effective June 30, 2001 2002.

(b) Laws 1997, chapter 225, article 6, section 8, is repealed.

Sec. 31. [EMPLOYER-BASED HEALTH INSURANCE.]

Subdivision 1. [FEDERAL MATCHING FUNDS.] The commissioner of human services shall determine requirements necessary to obtain federal matching funds for payment of a direct subsidy for the employee share of employer-based health care coverage that is available to dependent children of employees with household incomes that do not exceed 200 percent of the federal poverty guidelines.

Subd. 2. [REPORT.] The commissioner shall report to the legislature by January 15, 2001, on the parameters and status of the federal requirements described in subdivision 1, after consultation with the commissioners of health and commerce and with representatives of large and small employers, including rural business purchasing alliances. In the report, the commissioner shall make recommendations on how best to provide direct subsidies for employer-based health care coverage for dependent children of employees with household incomes that do not exceed 200 percent of the federal poverty guidelines. The commissioner shall report the optimal way to meet the needs of the dependent children in a manner that does not: (1) require modifications to existing or future employer-based health care coverage; or (2) create incentives for employers to utilize publicly subsidized health care.

Sec. 32. [INFORMATION ON PRESCRIPTION DRUG PATIENT ASSISTANCE AND COST SAVINGS PROGRAMS.]

The commissioner of human services must work with the board of medical practice, organizations representing pharmaceutical manufacturers, and organizations representing pharmacies, to develop a strategy to provide information to all physicians and pharmacists on prescription drug patient assistance programs and cost savings opportunities offered by pharmaceutical manufacturers. Any strategy developed must provide physicians and pharmacists with regular updates on prescription drug patient assistance programs and cost savings opportunities and be implemented without cost to physicians, pharmacists, or the state.

Sec. 33. [TASK FORCE EXTENDED; REPORT.]

The day training and habilitation task force established under Laws 1999, chapter 152, shall be extended to June 15, 2001. The task force shall present a report recommending a new payment rate schedule for day training and habilitation services to the legislature by January 15, 2001.

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

Sec. 34. [RESPITE CARE FOR FAMILY ADULT FOSTER CARE PROVIDERS.]

The commissioner of human services, in consultation with affected groups, including counties, family adult foster care providers, guardians and family members, and advocacy agencies, shall develop legislative proposals, including cost projections, to provide 30 days of respite care per year for family adult foster care providers. The proposals must include funding options that rely upon federal and state funding. The commissioner shall provide the legislative proposals and cost projections to the chairs of the house health and human services policy committee, the house health and human services finance committee, the senate health and family security policy committee, and the senate health and family security budget division, by December 1, 2000.

Sec. 35. [MEDICAL EDUCATION DISTRIBUTION FORMULA STUDY.]

The commissioner of health shall convene a group of stakeholders that includes representatives of teaching programs and training sites throughout the state and members of the medical education and research advisory committee for the purpose of evaluating the appropriateness of the current distribution formula and considering alternatives for allocating the amount transferred in accordance with Minnesota Statutes, section 256B.69, subdivision 5c. The commissioner shall report the findings and recommendations of this group to the legislature by January 15, 2001.

Sec. 36. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes shall change the phrase "senior citizen drug program" wherever it appears in the next edition of Minnesota Statutes and Minnesota Rules to "prescription drug program."

(b) The revisor, in the next edition of Minnesota Statutes, shall recodify section 256.9751 as section 256.9731, and make any necessary changes in cross-references.

Sec. 37. [INCONSISTENT AMENDMENTS.]

The amendments to Minnesota Statutes, section 256B.501, subdivision 13, in section 10 prevail over the amendments to that section in 2000 H. F. No. 3557, if enacted.

ARTICLE 10

HUMAN SERVICES ASSISTANCE PROGRAM MODIFICATIONS

Section 1. Minnesota Statutes 1999 Supplement, section 119B.011, subdivision 15, is amended to read:

Subd. 15. [INCOME.] "Income" means earned or unearned income received by all family members, including public assistance cash benefits and at-home infant care subsidy payments, unless specifically excluded and child support and maintenance distributed to the family under section 256.741, subdivision 15. The following are excluded from income: funds used to pay for health insurance premiums for family members, Supplemental Security Income, scholarships, work-study income, and grants that cover costs or reimbursement for tuition, fees, books, and educational supplies; student loans for tuition, fees, books, supplies, and living expenses; state and federal earned income tax credits; in-kind income such as food stamps, energy assistance, foster care assistance, medical assistance, child care assistance, and housing subsidies; earned income of full or part-time students, who have not earned a high school diploma or GED high school equivalency diploma including earnings from summer employment; grant awards under the family subsidy program; nonrecurring lump sum income only to the extent that it is earmarked and used for the purpose for which it is paid; and any income assigned to the public authority according to section 256.74 or 256.741.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 2. Minnesota Statutes 1998, section 256.01, is amended by adding a subdivision to read:

Subd. 18. [IMMIGRATION STATUS VERIFICATIONS.] Notwithstanding any waiver of this requirement by the secretary of the United States Department of Health and Human Services, effective July 1, 2001, the commissioner shall utilize the Systematic Alien Verification for Entitlements (SAVE) program to conduct immigration status verifications:

(1) as required under United States Code, title 8, section 1642;

(2) for all applicants for food assistance benefits, whether under the federal food stamp program, the MFIP or work first program, or the Minnesota food assistance program;

(3) for all applicants for general assistance medical care, except assistance for an emergency medical condition, for immunization with respect to an immunizable disease, or for testing and treatment of symptoms of a communicable disease; and

(4) for all applicants for general assistance, Minnesota supplemental aid, MinnesotaCare, or group residential housing, when the benefits provided by these programs would fall under the definition of "federal public benefit" under United States Code, title 8, section 1642, if federal funds were used to pay for all or part of the benefits.

The commissioner shall report to the Immigration and Naturalization Service all undocumented persons who have been identified through application verification procedures or by the self-admission of an applicant for assistance. Reports made under this subdivision must comply with the requirements of section 411A of the Social Security Act, as amended, and United States Code, title 8, section 1644.

Sec. 3. Minnesota Statutes 1999 Supplement, section 256.019, is amended to read:

256.019 [RECOVERY OF MONEY; APPORTIONMENT.]

Subdivision 1. [RETENTION RATES.] When an assistance recovery amount is recovered from any source for assistance given collected and posted by a county agency under the provisions governing public assistance programs including the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, MFIP, general assistance medical care, emergency assistance, general assistance, and Minnesota supplemental aid, the county may keep one-half of the recovery made by the county agency using any method other than recoupment. For medical assistance, if the recovery is made by a county agency using any method other than recoupment, the county may keep one-half of the nonfederal share of the recovery.

This does not apply to recoveries from medical providers or to recoveries begun by the department of human services' surveillance and utilization review division, state hospital collections unit, and the benefit recoveries division or, by the attorney general's office, or child support collections. In the food stamp program, the nonfederal share of recoveries in the federal tax refund offset program (FTROP) only will be divided equally between the state agency and the involved county agency.

Subd. 2. [RETENTION RATES FOR AFDC AND MFIP.] (a) When an assistance recovery amount is collected and posted by a county agency under the provisions governing the aid to families with dependent children program formerly codified in 1996 in sections 256.72 to 256.87 or MFIP under chapter 256J, the commissioner shall reimburse the county agency from the proceeds of the recovery using the applicable rate specified in paragraph (b) or (c).

(b) For recoveries of overpayments made on or before September 30, 1996, from the aid to families with dependent children program including the emergency assistance program, the commissioner shall reimburse the county agency at a rate of one-quarter of the recovery made by any method other than recoupment.

(c) For recoveries of overpayments made after September 30, 1996, from the aid to families with dependent children including the emergency assistance program and programs funded in whole or in part by the temporary assistance to needy families program under section 256J.02, subdivision 2, and recoveries of nonfederally funded food assistance under section 256J.11, the commissioner shall reimburse the county agency at a rate of one-quarter of the recovery made by any method other than recoupment.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 4. Minnesota Statutes 1998, section 256.741, is amended by adding a subdivision to read:

Subd. 15. [CHILD SUPPORT DISTRIBUTION.] The state shall distribute current child support and maintenance received by the state to an individual who assigns the right to that support under subdivision 2, paragraph (a).

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 5. Minnesota Statutes 1999 Supplement, section 256D.053, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED.] The Minnesota food assistance program is established to provide food assistance to legal noncitizens residing in this state who are ineligible to participate in the federal Food Stamp Program solely due to the provisions of section 402 or 403 of Public Law Number 104-193, as authorized by Title VII of the 1997 Emergency Supplemental Appropriations Act, Public Law Number 105-18, and as amended by Public Law Number 105-185.

Beginning July 1, ~~2000~~ 2002, the Minnesota food assistance program is limited to those noncitizens described in this subdivision who are 50 years of age or older.

Sec. 6. Minnesota Statutes 1999 Supplement, section 256J.02, subdivision 2, is amended to read:

Subd. 2. [USE OF MONEY.] State money appropriated for purposes of this section and TANF block grant money must be used for:

- (1) financial assistance to or on behalf of any minor child who is a resident of this state under section 256J.12;
- (2) employment and training services under this chapter or chapter 256K;
- (3) emergency financial assistance and services under section 256J.48;
- (4) diversionary assistance under section 256J.47;
- (5) the health care and human services training and retention program under chapter 116L, for costs associated with families with children with incomes below 200 percent of the federal poverty guidelines;
- (6) the pathways program under section 116L.04, subdivision 1a;
- (7) welfare-to-work extended employment services for MFIP participants with severe impairment to employment as defined in section 268A.15, subdivision 1a;
- (8) the family homeless prevention and assistance program under section 462A.204;
- (9) the rent assistance for family stabilization demonstration project under section 462A.205; ~~and~~
- (10) welfare to work transportation authorized under Public Law Number 105-178;
- (11) reimbursements for the federal share of child support collections passed through to the custodial parent;
- (12) reimbursements for the working family credit under section 290.0671;
- (13) intensive ESL grants under 2000 H. F. No. 3800, article 1, if enacted;
- (14) transitional housing programs under section 119A.43;
- (15) programs and pilot projects under chapter 256K; and
- (16) program administration under this chapter.

EFFECTIVE DATE: Clause (11) of this section is effective January 1, 2001.

Sec. 7. Minnesota Statutes 1999 Supplement, section 256J.08, subdivision 86, is amended to read:

Subd. 86. [UNEARNED INCOME.] "Unearned income" means income received by a person that does not meet the definition of earned income. Unearned income includes income from a contract for deed, interest, dividends, reemployment compensation, disability insurance payments, veterans benefits, pension payments, return on capital investment, insurance payments or settlements, severance payments, child support and maintenance payments, and payments for illness or disability whether the premium payments are made in whole or in part by an employer or participant.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 8. Minnesota Statutes 1999 Supplement, section 256J.21, subdivision 2, is amended to read:

Subd. 2. [INCOME EXCLUSIONS.] (a) The following must be excluded in determining a family's available income:

(1) payments for basic care, difficulty of care, and clothing allowances received for providing family foster care to children or adults under Minnesota Rules, parts 9545.0010 to 9545.0260 and 9555.5050 to 9555.6265, and payments received and used for care and maintenance of a third-party beneficiary who is not a household member;

(2) reimbursements for employment training received through the Job Training Partnership Act, United States Code, title 29, chapter 19, sections 1501 to 1792b;

(3) reimbursement for out-of-pocket expenses incurred while performing volunteer services, jury duty, employment, or informal carpooling arrangements directly related to employment;

(4) all educational assistance, except the county agency must count graduate student teaching assistantships, fellowships, and other similar paid work as earned income and, after allowing deductions for any unmet and necessary educational expenses, shall count scholarships or grants awarded to graduate students that do not require teaching or research as unearned income;

(5) loans, regardless of purpose, from public or private lending institutions, governmental lending institutions, or governmental agencies;

(6) loans from private individuals, regardless of purpose, provided an applicant or participant documents that the lender expects repayment;

(7)(i) state income tax refunds; and

(ii) federal income tax refunds;

(8)(i) federal earned income credits;

(ii) Minnesota working family credits;

(iii) state homeowners and renters credits under chapter 290A; and

(iv) federal or state tax rebates;

(9) funds received for reimbursement, replacement, or rebate of personal or real property when these payments are made by public agencies, awarded by a court, solicited through public appeal, or made as a grant by a federal agency, state or local government, or disaster assistance organizations, subsequent to a presidential declaration of disaster;

- (10) the portion of an insurance settlement that is used to pay medical, funeral, and burial expenses, or to repair or replace insured property;
- (11) reimbursements for medical expenses that cannot be paid by medical assistance;
- (12) payments by a vocational rehabilitation program administered by the state under chapter 268A, except those payments that are for current living expenses;
- (13) in-kind income, including any payments directly made by a third party to a provider of goods and services;
- (14) assistance payments to correct underpayments, but only for the month in which the payment is received;
- (15) emergency assistance payments;
- (16) funeral and cemetery payments as provided by section 256.935;
- (17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in a calendar month;
- (18) any form of energy assistance payment made through Public Law Number 97-35, Low-Income Home Energy Assistance Act of 1981, payments made directly to energy providers by other public and private agencies, and any form of credit or rebate payment issued by energy providers;
- (19) Supplemental Security Income, including retroactive payments;
- (20) Minnesota supplemental aid, including retroactive payments;
- (21) proceeds from the sale of real or personal property;
- (22) adoption assistance payments under section 259.67;
- (23) state-funded family subsidy program payments made under section 252.32 to help families care for children with mental retardation or related conditions, consumer support grant funds under section 256.476, and resources and services for a disabled household member under one of the home and community-based waiver services programs under chapter 256B;
- (24) interest payments and dividends from property that is not excluded from and that does not exceed the asset limit;
- (25) rent rebates;
- (26) income earned by a minor caregiver, minor child through age 6, or a minor child who is at least a half-time student in an approved elementary or secondary education program;
- (27) income earned by a caregiver under age 20 who is at least a half-time student in an approved elementary or secondary education program;
- (28) MFIP child care payments under section 119B.05;
- (29) all other payments made through MFIP to support a caregiver's pursuit of greater self-support;
- (30) income a participant receives related to shared living expenses;
- (31) reverse mortgages;

(32) benefits provided by the Child Nutrition Act of 1966, United States Code, title 42, chapter 13A, sections 1771 to 1790;

(33) benefits provided by the women, infants, and children (WIC) nutrition program, United States Code, title 42, chapter 13A, section 1786;

(34) benefits from the National School Lunch Act, United States Code, title 42, chapter 13, sections 1751 to 1769e;

(35) relocation assistance for displaced persons under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, United States Code, title 42, chapter 61, subchapter II, section 4636, or the National Housing Act, United States Code, title 12, chapter 13, sections 1701 to 1750jj;

(36) benefits from the Trade Act of 1974, United States Code, title 19, chapter 12, part 2, sections 2271 to 2322;

(37) war reparations payments to Japanese Americans and Aleuts under United States Code, title 50, sections 1989 to 1989d;

(38) payments to veterans or their dependents as a result of legal settlements regarding Agent Orange or other chemical exposure under Public Law Number 101-239, section 10405, paragraph (a)(2)(E);

(39) income that is otherwise specifically excluded from MFIP consideration in federal law, state law, or federal regulation;

(40) security and utility deposit refunds;

(41) American Indian tribal land settlements excluded under Public Law Numbers 98-123, 98-124, and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and Mille Lacs reservations and payments to members of the White Earth Band, under United States Code, title 25, chapter 9, section 331, and chapter 16, section 1407;

(42) all income of the minor parent's parents and stepparents when determining the grant for the minor parent in households that include a minor parent living with parents or stepparents on MFIP with other children; and

(43) income of the minor parent's parents and stepparents equal to 200 percent of the federal poverty guideline for a family size not including the minor parent and the minor parent's child in households that include a minor parent living with parents or stepparents not on MFIP when determining the grant for the minor parent. The remainder of income is deemed as specified in section 256J.37, subdivision 1b;

(44) payments made to children eligible for relative custody assistance under section 257.85;

(45) vendor payments for goods and services made on behalf of a client unless the client has the option of receiving the payment in cash; and

(46) the principal portion of a contract for deed payment.

Sec. 9. Minnesota Statutes 1998, section 256J.32, is amended by adding a subdivision to read:

Subd. 7a. [REQUIREMENT TO REPORT TO IMMIGRATION AND NATURALIZATION SERVICES.] Notwithstanding subdivision 7, effective July 1, 2001, the commissioner shall report to the Immigration and Naturalization Services all undocumented persons who have been identified through application verification procedures or by the self-admission of an applicant for assistance. Reports made under this subdivision must comply with the requirements of section 411A of the Social Security Act, as amended, and United States Code, title 8, section 1644.

Sec. 10. Minnesota Statutes 1999 Supplement, section 256J.33, subdivision 4, is amended to read:

Subd. 4. [MONTHLY INCOME TEST.] A county agency must apply the monthly income test retrospectively for each month of MFIP eligibility. An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit. The income applied against the monthly income test must include:

(1) gross earned income from employment, prior to mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36, unless the employment income is specifically excluded under section 256J.21, subdivision 2;

(2) gross earned income from self-employment less deductions for self-employment expenses in section 256J.37, subdivision 5, but prior to any reductions for personal or business state and federal income taxes, personal FICA, personal health and life insurance, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;

(3) unearned income after deductions for allowable expenses in section 256J.37, subdivision 9, and allocations in section 256J.36, unless the income has been specifically excluded in section 256J.21, subdivision 2;

(4) gross earned income from employment as determined under clause (1) which is received by a member of an assistance unit who is a minor child or minor caregiver and less than a half-time student;

(5) child support and spousal support received ~~or anticipated to be received~~ by an assistance unit;

(6) the income of a parent when that parent is not included in the assistance unit;

(7) the income of an eligible relative and spouse who seek to be included in the assistance unit; and

(8) the unearned income of a minor child included in the assistance unit.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 11. Minnesota Statutes 1999 Supplement, section 256J.34, subdivision 1, is amended to read:

Subdivision 1. [PROSPECTIVE BUDGETING.] A county agency must use prospective budgeting to calculate the assistance payment amount for the first two months for an applicant who has not received assistance in this state for at least one payment month preceding the first month of payment under a current application. Notwithstanding subdivision 3, paragraph (a), clause (2), a county agency must use prospective budgeting for the first two months for a person who applies to be added to an assistance unit. Prospective budgeting is not subject to overpayments or underpayments unless fraud is determined under section 256.98.

(a) The county agency must apply the income received or anticipated in the first month of MFIP eligibility against the need of the first month. The county agency must apply the income received or anticipated in the second month against the need of the second month.

(b) When the assistance payment for any part of the first two months is based on anticipated income, the county agency must base the initial assistance payment amount on the information available at the time the initial assistance payment is made.

(c) The county agency must determine the assistance payment amount for the first two months of MFIP eligibility by budgeting both recurring and nonrecurring income for those two months.

~~(d) The county agency must budget the child support income received or anticipated to be received by an assistance unit to determine the assistance payment amount from the month of application through the date in which MFIP eligibility is determined and assistance is authorized. Child support income which has been budgeted to determine the assistance payment in the initial two months is considered nonrecurring income. An assistance unit must forward any payment of child support to the child support enforcement unit of the county agency following the date in which assistance is authorized.~~

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 12. Minnesota Statutes 1999 Supplement, section 256J.34, subdivision 4, is amended to read:

Subd. 4. [SIGNIFICANT CHANGE IN GROSS INCOME.] The county agency must recalculate the assistance payment when an assistance unit experiences a significant change, as defined in section 256J.08, resulting in a reduction in the gross income received in the payment month from the gross income received in the budget month. The county agency must issue a supplemental assistance payment based on the county agency's best estimate of the assistance unit's income and circumstances for the payment month. Supplemental assistance payments that result from significant changes are limited to two in a 12-month period regardless of the reason for the change. Notwithstanding any other statute or rule of law, supplementary assistance payments shall not be made when the significant change in income is the result of receipt of a lump sum, receipt of an extra paycheck, business fluctuation in self-employment income, or an assistance unit member's participation in a strike or other labor action. ~~Supplementary assistance payments due to a significant change in the amount of direct support received must not be made after the date the assistance unit is required to forward support to the child support enforcement unit under subdivision 1, paragraph (d).~~

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 13. Minnesota Statutes 1999 Supplement, section 256J.37, subdivision 9, is amended to read:

Subd. 9. [UNEARNED INCOME.] ~~(a)~~ The county agency must apply unearned income to the MFIP standard of need. When determining the amount of unearned income, the county agency must deduct the costs necessary to secure payments of unearned income. These costs include legal fees, medical fees, and mandatory deductions such as federal and state income taxes.

(b) Effective ~~January~~ July 1, 2001, the county agency shall count \$100 of the value of public and assisted rental subsidies provided through the Department of Housing and Urban Development (HUD) as unearned income. The full amount of the subsidy must be counted as unearned income when the subsidy is less than \$100.

(c) The provisions of paragraph (b) shall not apply to MFIP participants who are exempt from the employment and training services component because they are:

(i) individuals who are age 60 or older;

(ii) individuals who are suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment; or

(iii) caregivers whose presence in the home is required because of the professionally certified illness or incapacity of another member in the assistance unit, a relative in the household, or a foster child in the household.

(d) The provisions of paragraph (b) shall not apply to an MFIP assistance unit where the parental caregiver receives supplemental security income.

Sec. 14. Minnesota Statutes 1998, section 256J.45, subdivision 3, is amended to read:

Subd. 3. [GOOD CAUSE EXEMPTIONS FOR NOT ATTENDING ORIENTATION.] (a) The county agency shall not impose the sanction under section 256J.46 if it determines that the participant has good cause for failing to attend orientation. Good cause exists when:

(1) appropriate child care is not available;

(2) the participant is ill or injured;

(3) a family member is ill and needs care by the participant that prevents the participant from attending orientation. For a caregiver with a child or adult in the household who meets the disability or medical criteria for home care services under section 256B.0627, subdivision 1, paragraph (c) or a home and community-based waiver services program under chapter 256B, or meets the criteria for severe emotional disturbance under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c), good cause also exists when an interruption in the provision of those services occurs which prevents the participant from attending orientation;

(4) the caregiver is unable to secure necessary transportation;

(5) the caregiver is in an emergency situation that prevents orientation attendance;

(6) the orientation conflicts with the caregiver's work, training, or school schedule; or

(7) the caregiver documents other verifiable impediments to orientation attendance beyond the caregiver's control.

(b) Counties must work with clients to provide child care and transportation necessary to ensure a caregiver has every opportunity to attend orientation.

Sec. 15. Minnesota Statutes 1998, section 256J.47, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A family is eligible to receive diversionary assistance once every ~~36~~ 12 months if:

(1) a family member has resided in this state for at least 30 days;

(2) the caregiver provides verification that the caregiver has either experienced an unexpected occurrence that makes it impossible to retain or obtain employment or the caregiver has a temporary loss of income, which is not due to refusing to accept or terminating suitable employment as defined in section 256J.49, without good cause under section 256J.57, resulting in an emergency;

(3) the caregiver is at risk of MFIP-S eligibility if diversionary assistance is not provided and household income is below ~~140~~ 200 percent of the federal poverty guidelines; and

(4) the diversionary assistance will resolve the emergency and divert the family from applying for MFIP-S.

For purposes of this section, diversionary assistance means a one-time lump-sum payment to an individual or third-party vendor to prevent long-term receipt of public assistance.

Sec. 16. Minnesota Statutes 1998, section 256J.49, subdivision 13, is amended to read:

Subd. 13. [WORK ACTIVITY.] "Work activity" means any activity in a participant's approved employment plan that is tied to the participant's employment goal. For purposes of the ~~MFIP-S~~ MFIP program, any activity that is included in a participant's approved employment plan meets the definition of work activity as counted under the federal participation standards. Work activity includes, but is not limited to:

- (1) unsubsidized employment;
- (2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69;
- (3) work experience, including CWEP as specified in section 256J.67, and including work associated with the refurbishing of publicly assisted housing if sufficient private sector employment is not available;
- (4) on-the-job training as specified in section 256J.66;
- (5) job search, either supervised or unsupervised;
- (6) job readiness assistance;
- (7) job clubs, including job search workshops;
- (8) job placement;
- (9) job development;
- (10) job-related counseling;
- (11) job coaching;
- (12) job retention services;
- (13) job-specific training or education;
- (14) job skills training directly related to employment;
- (15) the self-employment investment demonstration (SEID), as specified in section 256J.65;
- (16) preemployment activities, based on availability and resources, such as volunteer work, literacy programs and related activities, citizenship ~~and~~ classes, English as a second language (ESL) classes as limited by the provisions of section 256J.52, subdivisions 3, paragraph (d), and 5, paragraph (c), or participation in dislocated worker services, chemical dependency treatment, mental health services, peer group networks, displaced homemaker programs, strength-based resiliency training, parenting education, or other programs designed to help families reach their employment goals and enhance their ability to care for their children;
- (17) community service programs;
- (18) vocational educational training or educational programs that can reasonably be expected to lead to employment, as limited by the provisions of section 256J.53;
- (19) apprenticeships;
- (20) satisfactory attendance in general educational development diploma classes or an adult diploma program;
- (21) satisfactory attendance at secondary school, if the participant has not received a high school diploma;
- (22) adult basic education classes;
- (23) internships;

- (24) bilingual employment and training services;
- (25) providing child care services to a participant who is working in a community service program; and
- (26) activities included in a safety plan that is developed under section 256J.52, subdivision 6.

Sec. 17. Minnesota Statutes 1998, section 256J.50, subdivision 5, is amended to read:

Subd. 5. [PARTICIPATION REQUIREMENTS FOR SINGLE-PARENT AND TWO-PARENT ALL CASES.]

(a) ~~A county must establish a uniform schedule for requiring participation by single parents. Mandatory participation must be required within six months of eligibility for cash assistance.~~ For two-parent cases, participation is required concurrent with the receipt of MFIP-~~S~~ MFIP cash assistance.

For single-parent cases, participation is required concurrent with the receipt of MFIP cash assistance for all counties except Blue Earth and Nicollet, effective July 1, 2000, and is required for Blue Earth and Nicollet counties effective January 1, 2001. For Blue Earth and Nicollet counties only, from July 1, 2000 to December 31, 2000, mandatory participation for single-parent cases must be required within six months of eligibility for cash assistance.

(b) Beginning January 1, 1998, with the exception of caregivers required to attend high school under the provisions of section 256J.54, subdivision 5, MFIP caregivers, upon completion of the secondary assessment, must develop an employment plan and participate in work activities.

(c) Upon completion of the secondary assessment:

(1) In single-parent families with no children under six years of age, the job counselor and the caregiver must develop an employment plan that includes 20 to 35 hours per week of work activities for the period January 1, 1998, to September 30, 1998; 25 to 35 hours of work activities per week in federal fiscal year 1999; and 30 to 35 hours per week of work activities in federal fiscal year 2000 and thereafter.

(2) In single-parent families with a child under six years of age, the job counselor and the caregiver must develop an employment plan that includes 20 to 35 hours per week of work activities.

(3) In two-parent families, the job counselor and the caregivers must develop employment plans which result in a combined total of at least 55 hours per week of work activities.

Sec. 18. Minnesota Statutes 1998, section 256J.50, subdivision 7, is amended to read:

Subd. 7. [LOCAL SERVICE UNIT PLAN.] (a) Each local or county service unit shall prepare and submit a plan as specified in section 268.88.

(b) The plan must include a description of how projects funded under the local intervention grants for self-sufficiency in section 256J.625, subdivisions 2 and 3, operate in the local service unit, including:

(1) the target populations of hard-to-employ participants and working participants in need of job retention and wage advancement services, with a description of how individual participant needs will be met;

(2) services that will be provided which may include paid work experience, enhanced mental health services, outreach to sanctioned families, child care for social services, child care transition year set-aside, homeless and housing advocacy, and transportation;

(3) projected expenditures by activity;

(4) anticipated program outcomes including the anticipated impact the intervention efforts will have on performance measures under section 256J.751 and on reducing the number of MFIP participants expected to reach their 60-month time limit; and

(5) a description of services that are provided or will be provided to MFIP participants affected by chemical dependency, mental health issues, learning disabilities, or family violence.

Each plan must demonstrate how the county or tribe is working within its organization and with other organizations in the community to serve hard-to-employ populations, including how organizations in the community were engaged in planning for use of these funds, services other entities will provide under the plan, and whether multicounty or regional strategies are being implemented as part of this plan.

(c) Activities and expenditures in the plan must enhance or supplement MFIP activities without supplanting existing activities and expenditures. However, this paragraph does not require a county to maintain either:

(1) its current provision of child care assistance to MFIP families through the expenditure of county resources under chapter 256E for social services child care assistance if funds are appropriated by another law for an MFIP social services child care pool;

(2) its current provision of transition-year child care assistance through the expenditure of county resources if funds are appropriated by another law for this purpose; or

(3) its current provision of intensive ESL programs through the expenditure of county resources if funds are appropriated by another law for intensive ESL grants.

(d) The plan required under this subdivision must be approved before the local or county service unit is eligible to receive funds under section 256J.625, subdivisions 2 and 3.

Sec. 19. Minnesota Statutes 1999 Supplement, section 256J.52, subdivision 3, is amended to read:

Subd. 3. [JOB SEARCH; JOB SEARCH SUPPORT PLAN.] (a) If, after the initial assessment, the job counselor determines that the participant possesses sufficient skills that the participant is likely to succeed in obtaining suitable employment, the participant must conduct job search for a period of up to eight weeks, for at least 30 hours per week. The participant must accept any offer of suitable employment. Upon agreement by the job counselor and the participant, a job search support plan may limit a job search to jobs that are consistent with the participant's employment goal. The job counselor and participant must develop a job search support plan which specifies, at a minimum: whether the job search is to be supervised or unsupervised; support services that will be provided while the participant conducts job search activities; the courses necessary to obtain certification or licensure, if applicable, and after obtaining the license or certificate, the client must comply with subdivision 5; and how frequently the participant must report to the job counselor on the status of the participant's job search activities. The job search support plan ~~may~~ must also specify that the participant fulfill ~~a specified portion no more than half~~ of the required hours of job search through attending adult basic education or English as a second language classes, if one or both of those activities are approved by the job counselor.

(b) During the eight-week job search period, either the job counselor or the participant may request a review of the participant's job search plan and progress towards obtaining suitable employment. If a review is requested by the participant, the job counselor must concur that the review is appropriate for the participant at that time. If a review is conducted, the job counselor may make a determination to conduct a secondary assessment prior to the conclusion of the job search.

(c) Failure to conduct the required job search, to accept any offer of suitable employment, to develop or comply with a job search support plan, or voluntarily quitting suitable employment without good cause results in the imposition of a sanction under section 256J.46. If at the end of eight weeks the participant has not obtained suitable employment, the job counselor must conduct a secondary assessment of the participant under subdivision 3.

(d) In order for an English as a second language (ESL) class to be an approved work activity, a participant must be at or below a spoken language proficiency level of SPL5 or its equivalent, as measured by a nationally recognized test. A participant may not be approved for more than a total of 24 months of ESL activities while participating in the employment and training services component of MFIP. In approving ESL as a work activity, the job counselor must give preference to enrollment in an intensive ESL program, if one is available, over a regular ESL program. If an intensive ESL program is approved, the restriction in paragraph (a) that no more than half of the required hours of job search is fulfilled through attending ESL classes does not apply.

Sec. 20. Minnesota Statutes 1999 Supplement, section 256J.52, subdivision 5, is amended to read:

Subd. 5. [EMPLOYMENT PLAN; CONTENTS.] (a) Based on the secondary assessment under subdivision 4, the job counselor and the participant must develop an employment plan for the participant that includes specific activities that are tied to an employment goal and a plan for long-term self-sufficiency, and that is designed to move the participant along the most direct path to unsubsidized employment. The employment plan must list the specific steps that will be taken to obtain employment and a timetable for completion of each of the steps. Upon agreement by the job counselor and the participant, the employment plan may limit a job search to jobs that are consistent with the participant's employment goal.

(b) As part of the development of the participant's employment plan, the participant shall have the option of selecting from among the vendors or resources that the job counselor determines will be effective in supplying one or more of the services necessary to meet the employment goals specified in the participant's plan. In compiling the list of vendors and resources that the job counselor determines would be effective in meeting the participant's employment goals, the job counselor must determine that adequate financial resources are available for the vendors or resources ultimately selected by the participant.

(c) In order for an English as a second language (ESL) class to be an approved work activity, a participant must be at or below a spoken language proficiency level of SPL5 or its equivalent, as measured by a nationally recognized test. A participant may not be approved for more than a total of 24 months of ESL activities while participating in the employment and training services component of MFIP. In approving ESL as a work activity, the job counselor must give preference to enrollment in an intensive ESL program, if one is available, over a regular ESL program.

(d) The job counselor and the participant must sign the developed plan to indicate agreement between the job counselor and the participant on the contents of the plan.

Sec. 21. Minnesota Statutes 1999 Supplement, section 256J.56, is amended to read:

256J.56 [EMPLOYMENT AND TRAINING SERVICES COMPONENT; EXEMPTIONS.]

(a) An MFIP caregiver is exempt from the requirements of sections 256J.52 to 256J.55 if the caregiver belongs to any of the following groups:

(1) individuals who are age 60 or older;

(2) individuals who are suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment. Persons in this category with a temporary illness, injury, or incapacity must be reevaluated at least quarterly;

(3) caregivers whose presence in the home is required because of the professionally certified illness or incapacity of another member in the assistance unit, a relative in the household, or a foster child in the household;

(4) women who are pregnant, if the pregnancy has resulted in a professionally certified incapacity that prevents the woman from obtaining or retaining employment;

(5) caregivers of a child under the age of one year who personally provide full-time care for the child. This exemption may be used for only 12 months in a lifetime. In two-parent households, only one parent or other relative may qualify for this exemption;

(6) individuals who are single parents, or one parent in a two-parent family, employed at least 35 hours per week;

(7) individuals experiencing a personal or family crisis that makes them incapable of participating in the program, as determined by the county agency. If the participant does not agree with the county agency's determination, the participant may seek professional certification, as defined in section 256J.08, that the participant is incapable of participating in the program.

Persons in this exemption category must be reevaluated every 60 days; ~~or~~

(8) second parents in two-parent families employed for 20 or more hours per week, provided the first parent is employed at least 35 hours per week; or

(9) caregivers with a child or an adult in the household who meets the disability or medical criteria for home care services under section 256B.0627, subdivision 1, paragraph (c), or a home and community-based waiver services program under chapter 256B, or meets the criteria for severe emotional disturbance under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c). Caregivers in this exemption category are presumed to be prevented from obtaining or retaining employment.

A caregiver who is exempt under clause (5) must enroll in and attend an early childhood and family education class, a parenting class, or some similar activity, if available, during the period of time the caregiver is exempt under this section. Notwithstanding section 256J.46, failure to attend the required activity shall not result in the imposition of a sanction.

(b) The county agency must provide employment and training services to MFIP caregivers who are exempt under this section, but who volunteer to participate. Exempt volunteers may request approval for any work activity under section 256J.49, subdivision 13. The hourly participation requirements for nonexempt caregivers under section 256J.50, subdivision 5, do not apply to exempt caregivers who volunteer to participate.

Sec. 22. [256J.625] [LOCAL INTERVENTION GRANTS FOR SELF-SUFFICIENCY.]

Subdivision 1. [ESTABLISHMENT; GUARANTEED MINIMUM ALLOCATION.] (a) The commissioner shall make grants under this subdivision to assist county and tribal TANF programs to more effectively serve hard-to-employ MFIP participants. Funds appropriated for local intervention grants for self-sufficiency must be allocated first in amounts equal to the guaranteed minimum in paragraph (b), and second according to the provisions of subdivision 2. Any remaining funds must be allocated according to the formula in subdivision 3. Counties or tribes must have an approved local service unit plan under section 256J.50, subdivision 7, paragraph (b), in order to receive and expend funds under subdivisions 2 and 3.

(b) Each county or tribal program shall receive a guaranteed minimum annual allocation of \$25,000.

Subd. 2. [SET-ASIDE FUNDS.] (a) Of the funds appropriated for grants under this section, after the allocation in subdivision 1, paragraph (b), is made, 20 percent of the remaining funds each year shall be retained by the commissioner and awarded to counties or tribes whose approved plans demonstrate additional need based on their identification of hard-to-employ families and working participants in need of job retention and wage advancement services, strong anticipated outcomes for families and an effective plan for monitoring performance, or, use of a multicounty, multi-entity or regional approach to serve hard-to-employ families and working participants in need of job retention and wage advancement services who are identified as a target population to be served in the plan submitted under section 256J.50, subdivision 7, paragraph (b). In distributing funds under this paragraph, the commissioner must achieve a geographic balance. The commissioner may award funds under this paragraph to other

public, private, or nonprofit entities to deliver services in a county or region where the entity or entities submit a plan that demonstrates a strong capability to fulfill the terms of the plan and where the plan shows an innovative or multi-entity approach.

(b) For fiscal year 2001 only, of the funds available under this subdivision the commissioner must allocate funding in the amounts specified in article 1, section 2, subdivision 7, for an intensive intervention transitional employment training project and for nontraditional career assistance and training programs. These allocations must occur before any set-aside funds are allocated under paragraph (a).

Subd. 2a. [ALTERNATIVE DISTRIBUTION FORMULA.] (a) By January 31, 2001, the commissioner of human services must develop and present to the appropriate legislative committees a distribution formula that is an alternative to the formula allocation specified in subdivision 3. The proposed distribution formula must target hard-to-employ MFIP participants, and it must include an incentive-based component that is designed to encourage county and tribal programs to effectively serve hard-to-employ participants. The commissioner's proposal must also be designed to be implemented for fiscal years 2002 and 2003 in place of the formula allocation specified in subdivision 3.

(b) Notwithstanding the provisions of subdivision 2, paragraph (a), if the commissioner does not develop a proposed formula as required in paragraph (a), the set-aside funds for fiscal years 2002 and 2003 that the commissioner would otherwise distribute under subdivision 2, paragraph (a), must not be distributed under that provision. Funds available under subdivision 2, paragraph (a), must instead be allocated in equal amounts to each county and tribal program in fiscal years 2002 and 2003.

Subd. 3. [FORMULA ALLOCATION.] Funds remaining after the allocations in subdivisions 1 and 2 must be allocated as follows:

(1) 85 percent shall be allocated in proportion to each county's and tribal TANF program's one-parent MFIP cases that have received MFIP assistance for at least 25 months, as sampled on December 31 of the previous calendar year, excluding cases where all caregivers are age 60 or over.

(2) 15 percent shall be allocated to each county's and tribal TANF program's two-parent MFIP cases that have received MFIP assistance for at least 25 months, as sampled on December 31 of the previous calendar year, excluding cases where all caregivers are age 60 or over.

Subd. 4. [USE OF FUNDS.] (a) A county or tribal program may use funds allocated under this subdivision to provide services to MFIP participants who are hard-to-employ and their families. Services provided must be intended to reduce the number of MFIP participants who are expected to reach the 60-month time limit under section 256J.42. Counties, tribes, and other entities receiving funds under subdivisions 2 or 3 must submit semiannual progress reports to the commissioner which detail program outcomes.

(b) Funds allocated under this section may not be used to provide benefits that are defined as "assistance" in Code of Federal Regulations, title 45, section 260.31, to an assistance unit that is only receiving the food portion of MFIP benefits.

(c) A county may use funds allocated under this section for that part of the match for federal access to jobs transportation funds that is TANF-eligible. A county may also use funds allocated under this section to enhance transportation choices for eligible recipients up to 150 percent of the federal poverty guidelines.

Subd. 5. [SUNSET.] The grant program under this section sunsets on June 30, 2003.

Sec. 23. [256J.655] [NONTRADITIONAL CAREER ASSISTANCE AND TRAINING.]

With the approval of the job counselor, a participant may enroll and participate in a nontraditional career assistance and training (NCAT) program under section 256K.30. An MFIP recipient participating in an NCAT program with the approval of the job counselor is also eligible for employment and training services, including child care and transportation.

Sec. 24. [256J.88] [CHILD ONLY TANF PROGRAM.]

Children who receive assistance under this chapter, in which the assistance unit does not include a caregiver, but only includes a minor child, shall become part of the program established under this section.

Sec. 25. [256K.25] [SUPPORTIVE HOUSING AND MANAGED CARE PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] (a) The commissioner shall establish a supportive housing and managed care pilot project in two counties, one within the seven-county metropolitan area and one outside of that area, to determine whether the integrated delivery of employment services, supportive services, housing, and health care into a single, flexible program will:

(1) reduce public expenditures on homeless families with minor children, homeless noncustodial parents, and other homeless individuals;

(2) increase the employment rates of these persons; and

(3) provide a new alternative to providing services to this hard-to-serve population.

(b) The commissioner shall create a program for counties for the purpose of providing integrated intensive and individualized case management services, employment services, health care services, rent subsidies or other short- or medium-term housing assistance, and other supportive services to eligible families and individuals. Minimum project and application requirements shall be developed by the commissioner in cooperation with counties and their nonprofit partners with the goal to provide the maximum flexibility in program design.

(c) Services available under this project must be coordinated with available health care services for an eligible project participant.

Subd. 2. [DEFINITION.] For purposes of this section, "homeless" means having no appropriate housing available and lacking the resources necessary to access permanent housing, as determined by the county requesting funding under subdivision 3, and:

(1) living, or being at imminent risk of living, on the street or in a shelter; or

(2) having been evicted from a dwelling or discharged from a regional treatment center, state-operated community-based program, community hospital, or residential treatment program.

Subd. 3. [COUNTY ELIGIBILITY.] A county may request funding under this pilot project if the county:

(1) agrees to develop, in cooperation with nonprofit partners, a supportive housing and managed care pilot project that integrates the delivery of employment services, supportive services, housing and health care for eligible families and individuals, or agrees to contract with an existing integrated program;

(2) for eligible participants who are also MFIP recipients, agrees to develop, in cooperation with nonprofit partners, procedures to ensure that the services provided under the pilot project are closely coordinated with the services provided under MFIP; and

(3) develops a method for evaluating the quality of the integrated services provided and the amount of any resulting cost savings to the county and state.

Subd. 4. [PARTICIPANT ELIGIBILITY.] (a) In order to be eligible for the pilot project, the county must determine that a participant is homeless or is at risk of homelessness; has a mental illness, a history of substance abuse, or HIV; and is a family that meets the criteria in paragraph (b) or is an individual who meets the criteria in paragraph (c).

(b) An eligible family must include a minor child or a pregnant woman, and:

(1) be receiving or be eligible for MFIP assistance under chapter 256J; or

(2) include an adult caregiver who is employed or is receiving employment and training services, and have household income below the MFIP exit level in section 256J.24, subdivision 10.

(c) An eligible individual must:

(1) meet the eligibility requirements of the group residential housing program under section 256I.04, subdivision 1; or

(2) be a noncustodial parent who is employed or is receiving employment and training services, and have household income below the MFIP exit level in section 256J.24, subdivision 10.

Subd. 5. [FUNDING.] A county may request funding from the commissioner for a specified number of TANF-eligible project participants. The commissioner shall review the request for compliance with subdivisions 1 to 4 and may approve or disapprove the request. If other funds are available, the commissioner may allocate funding for project participants who meet the eligibility requirements of subdivision 4, paragraph (c).

Subd. 6. [REPORT.] Participating counties and the commissioner shall collaborate to prepare and issue an annual report, beginning December 1, 2001, to the chairs of the appropriate legislative committees on the pilot project's use of public resources, including other funds leveraged for this initiative, the employment and housing status of the families and individuals served in the project, and the cost-effectiveness of the project. The annual report must also evaluate the pilot project with respect to the following project goals: that participants will lead more productive, healthier, more stable and better quality lives; that the teams created under the project to deliver services for each project participant will be accountable for ensuring that services are more appropriate, cost-effective and well-coordinated; and that the system-wide costs of serving this population, and the inappropriate use of emergency, crisis-oriented or institutional services, will be materially reduced. The commissioner shall provide data that may be needed to evaluate the project to participating counties that request the data.

Subd. 7. [SUNSET.] The pilot project under this section sunsets on June 30, 2006.

Sec. 26. [256K.30] [GRANTS FOR NONTRADITIONAL CAREER ASSISTANCE AND TRAINING PROGRAMS.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] The commissioner shall establish a program of reimbursement-based grants to nonprofit organizations to provide nontraditional career assistance and training (NCAT) programs that encourage and assist low-income women with minor children to enter nontraditional careers in the trades and in manual and technical operations.

Subd. 2. [REQUIREMENTS FOR GRANTEEES.] To be eligible for a grant under this section, an NCAT program must include the career assistance component specified in subdivision 4.

Subd. 3. [OUTREACH COMPONENT.] An NCAT program may include an outreach component that provides outreach to girls and women through public and private elementary and secondary schools, appropriate community organizations, or existing state and county employment and training programs. The outreach must consist of: general information concerning opportunities for women in the trades, manual, and technical occupations, including specific fields where worker shortages exist; and specific information about training programs offered. The outreach may include printed or recorded information, hands-on experiences for women and girls, presentations to women and girls, or ongoing contact with appropriate staff.

Federal TANF funds may not be used for the outreach component of an NCAT program.

Subd. 4. [CAREER ASSISTANCE COMPONENT.] An NCAT program may include a career assistance component that provides the following assistance for low-income women to enter careers in the trades and technical occupations:

(1) training designed to prepare women to succeed in nontraditional occupations, conducted by an NCAT grantee or in collaboration with another institution. The training must cover the knowledge and skills required for the trade, information about on-the-job realities for women in the particular trade, physical strength and stamina training as needed, opportunities for developing workplace problem-solving skills, and information about the current and projected future job market and likely career path for the trade;

(2) assistance with child care and transportation during training, during job search, and for at least the first two months of posttraining employment;

(3) job placement assistance during training, during job search, and for at least two years after completion of the training program; and

(4) job retention support may be in the form of mentorship programs, support groups, or ongoing staff contact for at least the first year of posttraining employment, including access to job-related information, assistance with workplace issue resolution, and access to advocacy services.

Subd. 5. [NCAT; ELIGIBLE PARTICIPANTS.] To be eligible to enroll in an NCAT program under this section, a participant must be a female caregiver receiving assistance under chapter 256J or this chapter.

Subd. 6. [ACCESSIBILITY REQUIRED.] Approved NCAT programs must be accessible to women who are MFIP participants. Factors that contribute to a program's accessibility include:

(1) affordability of tuition and supplies;

(2) geographic proximity to low-income neighborhoods, child care, and public transportation routes; and

(3) flexibility of the hours per week required by the program and the duration of the program, in order to be compatible with the program participants' family needs and the need for participants to be employed during training.

Sec. 27. [256K.35] [AT-RISK YOUTH OUT-OF-WEDLOCK PREGNANCY PREVENTION PROGRAM.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] The commissioner shall establish a statewide grant program to prevent or reduce the incidence of out-of-wedlock pregnancies among homeless, runaway, or thrown-away youth who are at risk of being prostituted or currently being used in prostitution. The goal of the out-of-wedlock pregnancy prevention program is to significantly increase the number of existing short-term shelter beds for these youth in the state. By providing street outreach and supportive services for emergency shelter, transitional housing, and services to reconnect the youth with their families where appropriate, the number of youth at risk of being sexually exploited or actually being sexually exploited, and thus at risk of experiencing an out-of-wedlock pregnancy, will be reduced.

Subd. 2. [FUNDS AVAILABLE.] The commissioner shall make funds for street outreach and supportive services for emergency shelter and transitional housing for out-of-wedlock pregnancy prevention available to eligible nonprofit corporations or government agencies to provide supportive services for emergency and transitional housing for at-risk youth. The commissioner shall consider the need for emergency and transitional housing supportive services throughout the state, and must give priority to applicants who offer 24-hour emergency facilities.

Subd. 3. [APPLICATION; ELIGIBILITY.] (a) A nonprofit corporation or government agency must submit an application to the commissioner in the form and manner the commissioner establishes. The application must describe how the applicant meets the eligibility criteria under paragraph (b). The commissioner may also require an applicant to provide additional information.

(b) To be eligible for funding under this section, an applicant must meet the following criteria:

(1) the applicant must have a commitment to helping the community, children, and preventing juvenile prostitution. If the applicant does not have any past experience with youth involved in or at risk of being used in prostitution, the applicant must demonstrate knowledge of best practices in this area and develop a plan to follow those practices;

(2) the applicant must present a plan to communicate with local law enforcement officials, social services, and the commissioner consistent with state and federal law; and

(3) the applicant must present a plan to encourage homeless, runaway, or thrown-away youth to either reconnect with family or to transition into long-term housing.

Subd. 4. [USES OF FUNDS.] (a) Funds available under this section must be used to create and maintain supportive services for emergency shelter and transitional housing for homeless, runaway, and thrown-away youth. Federal TANF funds must be used to serve youth and their families with household income below 200 percent of the federal poverty guidelines. If other funds are available, services may be provided to youth outside of TANF-eligible families.

(b) Funds available under this section shall not be used to conduct general education or awareness programs unrelated to the operation of an emergency shelter or transitional housing.

Sec. 28. Laws 1997, chapter 203, article 9, section 21, as amended by Laws 1998, chapter 407, article 6, section 111, is amended to read:

Sec. 21. [INELIGIBILITY FOR STATE FUNDED PROGRAMS.]

(a) Beginning July 1, 2000 Effective on the date specified, the following persons will be ineligible for general assistance and general assistance medical care under Minnesota Statutes, chapter 256D, group residential housing under Minnesota Statutes, chapter 256I, and ~~MFIP-S~~ MFIP assistance under Minnesota Statutes, chapter 256J, funded with state money:

(1) Beginning July 1, 2002, persons who are terminated from or denied Supplemental Security Income due to the 1996 changes in the federal law making persons whose alcohol or drug addiction is a material factor contributing to the person's disability ineligible for Supplemental Security Income, and are eligible for general assistance under Minnesota Statutes, section 256D.05, subdivision 1, paragraph (a), clause ~~(17)~~ 15, general assistance medical care under Minnesota Statutes, chapter 256D, or group residential housing under Minnesota Statutes, chapter 256I;

(2) Beginning July 1, 2002, legal noncitizens who are ineligible for Supplemental Security Income due to the 1996 changes in federal law making certain noncitizens ineligible for these programs due to their noncitizen status; and

(3) Beginning July 1, 2001, legal noncitizens who are eligible for ~~MFIP-S~~ MFIP assistance, either the cash assistance portion or the food assistance portion, funded entirely with state money.

(b) State money that remains unspent due to changes in federal law enacted after May 12, 1997, that reduce state spending for legal noncitizens or for persons whose alcohol or drug addiction is a material factor contributing to the person's disability, or enacted after February 1, 1998, that reduce state spending for food benefits for legal noncitizens shall not cancel and shall be deposited in the TANF reserve account.

Sec. 29. [PILOT PROJECTS FOR MFIP ELIGIBLE FAMILIES.]

The commissioner of human services shall authorize Dakota county and four other counties to test alternative approaches to improve compliance with MFIP work requirements or to encourage rapid entrance into the workforce. The projects are intended to improve employability and self-sufficiency outcomes for MFIP eligible families. These county pilots may test different approaches which include, but are not limited to, diversion of MFIP eligible applicants and case suspension or closure for participants unwilling to fulfill the conditions of the employment or job search support plan.

For purposes of eligibility for child care assistance under Minnesota Statutes, chapter 119B, all pilot program participants shall be eligible for the same benefits as MFIP recipients.

The four counties, other than Dakota county, will be selected as pilot sites through a request for proposals (RFP) process. Dakota county's proposal shall meet the same criteria required of those counties that respond to the RFP. County proposals must define the nature and scope of the pilot and must be cost neutral to the state. The commissioner must analyze proposals for system impacts. The commissioner may authorize counties to implement these pilots when the state agency determines the county agency is prepared and any system changes are complete. The commissioner will work with the counties in developing policies and guidelines for operating the pilots. The commissioner will provide technical assistance to county agencies to evaluate the effectiveness of the pilots. The commissioner and county agencies shall report the evaluation findings to the chairs of the house health and human services and senate health and family security policy and fiscal committees by February 1, 2002. An interim status report must be provided to the committee chairs by February 1, 2001.

Sec. 30. [REPORTS ON SAVE IMPLEMENTATION.]

On January 15, 2003, and January 15, 2004, the commissioner shall report to the chairs of the house health and human services policy committee and the senate health and family security committee on the usage and costs of the SAVE program over the previous year. These reports must include summary, nonidentifying information on the number of inquiries per month that were submitted to the SAVE system, the number of times secondary verifications were pursued as a result of the inquiries submitted to SAVE, and the number of times the county determined, as a result of information provided through the SAVE system, that an applicant to a program listed in section 256.01, subdivision 18, was ineligible for benefits due to the applicant's immigration status.

Sec. 31. [REPORT ON EFFECT OF ELIGIBILITY SUNSET DELAY.]

The health care division of the department of human services shall conduct a study to identify the characteristics of the GA, GAMC, and GRH recipients for whom program eligibility has been extended past June 30, 2000, due to a change in state law. Division staff must collect and report summary information about the affected recipients that includes, but is not limited to, information about the recipients': current employment status and employment history; disabilities; past and present involvement in chemical dependency treatment or related services; criminal history, if any; and other barriers that affect the recipients' ability to live independently. The report must not include uniquely identifying information about the affected recipients. The report must also include information on the actual and projected costs of extending these recipients' eligibility for the GA, GAMC, and GRH programs past June 30, 2000. The report must be submitted to the chairs of the house of representatives and senate policy and fiscal committees with jurisdiction over these programs by January 15, 2001.

Sec. 32. [REPEALER.]

Laws 1999, chapter 245, article 5, section 24, is repealed.

ARTICLE 11

TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 1999 Supplement, section 62J.535, subdivision 2, is amended to read:

Subd. 2. [COMPLIANCE.] (a) Concurrent with the ~~effective dates~~ date of required compliance established under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, for uniform electronic billing standards, all health care providers must conform to the uniform billing standards developed under subdivision 1.

(b) Notwithstanding paragraph (a), the requirements for the uniform remittance advice report shall be effective 12 months after the date of the required compliance of the standards for the electronic remittance advice transaction are effective under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time.

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

Sec. 2. Minnesota Statutes 1998, section 125A.74, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A district may enroll as a provider in the medical assistance program and receive medical assistance payments for covered special education services provided to persons eligible for medical assistance under chapter 256B. To receive medical assistance payments, the district must pay the nonfederal share of medical assistance services provided according to section 256B.0625, subdivision 26, and comply with relevant provisions of state and federal statutes and regulations governing the medical assistance program.

Sec. 3. Minnesota Statutes 1998, section 125A.74, subdivision 2, is amended to read:

Subd. 2. [FUNDING.] A district that provides a covered service to an eligible person and complies with relevant requirements of the medical assistance program is entitled to receive payment for the ~~service provided, including that portion of the payment services~~ that will subsequently be reimbursed by the federal government, in the same manner as other medical assistance providers. ~~The school district is not required to provide matching funds or pay part of the costs of the service, as long as the rate charged for the service does not exceed medical assistance limits that apply to all medical assistance providers.~~

Sec. 4. Minnesota Statutes 1999 Supplement, section 144.395, is amended by adding a subdivision to read:

Subd. 3. [SUNSET.] The tobacco use prevention and local public health endowment fund expires June 30, 2015. Upon expiration, the commissioner of finance shall transfer the principal and any remaining interest to the general fund.

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

Sec. 5. Minnesota Statutes 1999 Supplement, section 144.396, subdivision 11, is amended to read:

Subd. 11. [AUDITS REQUIRED.] The legislative auditor shall audit tobacco use prevention and local public health endowment fund expenditures to ensure that the money is spent for tobacco use prevention measures and public health initiatives.

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

Sec. 6. Minnesota Statutes 1999 Supplement, section 144.396, subdivision 12, is amended to read:

Subd. 12. [ENDOWMENT FUND NOT TO SUPPLANT EXISTING FUNDING.] Appropriations from the ~~account~~ tobacco use prevention and local public health endowment fund must not be used as a substitute for traditional sources of funding tobacco use prevention activities or public health initiatives. Any local unit of government receiving money under this section must ensure that existing local financial efforts remain in place.

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

Sec. 7. Minnesota Statutes 1999 Supplement, section 256B.0916, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION OF WAITING LIST.] (a) The legislature recognizes that as of January 1, 1999, 3,300 persons with mental retardation or related conditions have been screened and determined eligible for the home and community-based waiver services program for persons with mental retardation or related conditions. Many wait for several years before receiving service.

(b) The waiting list for this program shall be reduced or eliminated by June 30, 2003. In order to reduce the number of eligible persons waiting for identified services provided through the home and community-based waiver for persons with mental retardation or related conditions, during the period from July 1, 1999, to June 30, 2003, funding shall be increased to add 100 additional eligible persons each year beyond the February 1999 medical assistance forecast.

(c) The commissioner shall allocate resources in such a manner as to use all resources budgeted for the home and community-based waiver for persons with mental retardation or related conditions according to the priorities listed in subdivision 2, paragraph (b), and then to serve other persons on the waiting list. Resources allocated for a fiscal year to serve persons affected by public and private sector ICF/MR closures, but not expected to be expended for that purpose, must be reallocated within that fiscal year to serve other persons on the waiting list, and the number of waiver diversion slots shall be adjusted accordingly.

(d) For fiscal year 2001, at least one-half of the increase in funding over the previous year provided in the February 1999 medical assistance forecast for the home and community-based waiver for persons with mental retardation and related conditions, including changes made by the 1999 legislature, must be used to serve persons who are not affected by public and private sector ICF/MR closures.

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

Sec. 8. Minnesota Statutes 1999 Supplement, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers, except as provided in paragraph (c):

- (1) inpatient hospital services;
- (2) outpatient hospital services;
- (3) services provided by Medicare certified rehabilitation agencies;
- (4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
- (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;

- (6) eyeglasses and eye examinations provided by a physician or optometrist;
 - (7) hearing aids;
 - (8) prosthetic devices;
 - (9) laboratory and X-ray services;
 - (10) physician's services;
 - (11) medical transportation;
 - (12) chiropractic services as covered under the medical assistance program;
 - (13) podiatric services;
 - (14) dental services;
 - (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
 - (16) day treatment services for mental illness provided under contract with the county board;
 - (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
 - (18) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments;
 - (19) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision;
 - (20) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, a certified neonatal nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if (1) the service is otherwise covered under this chapter as a physician service, (2) ~~a~~ the service provided on an inpatient basis is not included as part of the cost for inpatient services included in the operating payment rate, and (3) the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171;
 - (21) services of a certified public health nurse or a registered nurse practicing in a public health nursing clinic that is a department of, or that operates under the direct authority of, a unit of government, if the service is within the scope of practice of the public health nurse's license as a registered nurse, as defined in section 148.171; and
 - (22) telemedicine consultations, to the extent they are covered under section 256B.0625, subdivision 3b.
- (b) Except as provided in paragraph (c), for a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.
- (c) Gender reassignment surgery and related services are not covered services under this subdivision unless the individual began receiving gender reassignment services prior to July 1, 1995.

(d) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology. Notwithstanding the provisions of subdivision 3, an individual who becomes ineligible for general assistance medical care because of failure to submit income reports or recertification forms in a timely manner, shall remain enrolled in the prepaid health plan and shall remain eligible for general assistance medical care coverage through the last day of the month in which the enrollee became ineligible for general assistance medical care.

(e) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions:

(i) For the period July 1, 1985 to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: ~~payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.~~

(ii) For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: ~~payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.~~

(iii) For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: ~~payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.~~

(iv) For the period July 1, 1987 to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: ~~payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.~~

~~(v)~~ For the period July 1, 1988 to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: ~~payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.~~

~~(f)~~ There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

~~(g)~~ (f) Any county may, from its own resources, provide medical payments for which state payments are not made.

~~(h)~~ (g) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

~~(i)~~ (h) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

~~(j)~~ (i) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

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

Sec. 9. Laws 1999, chapter 245, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. Basic Health Care Grants

Summary by Fund

General	867,174,000	916,234,000
Health Care Access	116,490,000	145,469,000

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

(a) Minnesota Care Grants- Health Care Access

116,490,000	145,469,000
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[HOSPITAL INPATIENT COPAYMENTS.] The commissioner of human services may require hospitals to refund hospital inpatient copayments paid by enrollees pursuant to Minnesota Statutes, section 256L.03, subdivision 5, between March 1, 1999, and December 31, 1999. If the commissioner requires hospitals to refund these copayments, the hospitals shall collect the copayment directly from the commissioner.

[MINNESOTACARE OUTREACH FEDERAL MATCHING FUNDS.] Any federal matching funds received as a result of the MinnesotaCare outreach activities authorized by Laws 1997, chapter 225, article 7, section 2, subdivision 1, shall be deposited in the health care access fund and dedicated to the commissioner to be used for those outreach purposes.

[FEDERAL RECEIPTS FOR ADMINISTRATION.] Receipts received as a result of federal participation pertaining to administrative costs of the Minnesota health care reform waiver shall be deposited as nondedicated revenue in the health care access fund. Receipts received as a result of federal participation pertaining to grants shall be deposited in the federal fund and shall offset health care access funds for payments to providers.

[HEALTH CARE ACCESS FUND.] The commissioner may expend money appropriated from the health care access fund for MinnesotaCare in either fiscal year of the biennium.

(b) MA Basic Health Care Grants- Families and Children

General	307,053,000	320,112,000
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[COMMUNITY DENTAL CLINICS.] Of this appropriation, \$600,000 in fiscal year 2000 is for the commissioner to provide start-up grants to establish community dental clinics under Minnesota Statutes, section 256B.76, paragraph (b), clause ~~(5)~~ (4). The commissioner shall award grants and shall require grant recipients to match the state grant with nonstate funding on a one-to-one basis. This is a one-time appropriation and shall not become part of base level funding for this activity for the 2002-2003 biennium.

(c) MA Basic Health Care Grants- Elderly & Disabled

General	404,814,000	451,928,000
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[SURCHARGE COMPLIANCE.] In the event that federal financial participation in the Minnesota medical assistance program is reduced as a result of a determination that the surcharge and intergovernmental transfers governed by Minnesota Statutes, sections 256.9657 and 256B.19 are out of compliance with United States Code, title 42, section 1396b(w), or its implementing regulations or with any other federal law designed to restrict provider tax programs or intergovernmental transfers, the commissioner shall appeal the determination to the fullest extent permitted by law and may ratably reduce all medical assistance and general assistance medical care payments to providers other than the state of Minnesota in order to eliminate any shortfall resulting from the reduced federal funding. Any amount later recovered through the appeals process shall be used to reimburse providers for any ratable reductions taken.

[BLOOD PRODUCTS LITIGATION.] To the extent permitted by federal law, Minnesota Statutes, section 256.015, 256B.042, and 256B.15, are waived as necessary for the limited purpose of resolving the state's claims in connection with In re Factor VIII or IX Concentrate Blood Products Litigation, MDL-986, No. 93-C7452 (N.D.III.).

(d) General Assistance Medical Care

General	141,805,000	128,012,000
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(e) Basic Health Care - Nonentitlement

General	13,502,000	16,182,000
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[DENTAL ACCESS GRANT.] Of this appropriation, \$75,000 is from the general fund to the commissioner in fiscal year 2000 for a grant to a nonprofit dental provider group operating a dental clinic in Clay county. The grant must be used to increase access to dental services for recipients of medical assistance, general assistance medical care, and the MinnesotaCare program in the northwest area of the state. This appropriation is available the day following final enactment.

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

Sec. 11. Laws 1999, chapter 245, article 1, section 2, subdivision 8, is amended to read:

Subd. 8. Continuing Care and Community Support Grants

General	1,174,195,000	1,259,767,000
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Lottery Prize	1,158,000	1,158,000
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The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Community Social Services Block Grants

	42,597,000	43,498,000
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[CSSA TRADITIONAL APPROPRIATION.] Notwithstanding Minnesota Statutes, section 256E.06, subdivisions 1 and 2, the appropriations available under that section in fiscal years 2000 and 2001 must be distributed to each county proportionately to the aid received by the county in calendar year 1998. The commissioner, in consultation with counties, shall study the formula limitations in subdivision 2 of that section, and report findings and any recommendations for revision of the CSSA formula and its formula limitation provisions to the legislature by January 15, 2000.

(b) Consumer Support Grants

1,123,000	1,123,000
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(c) Aging Adult Service Grants

7,965,000	7,765,000
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[LIVING-AT-HOME/BLOCK NURSE PROGRAM.] Of the general fund appropriation, \$120,000 in fiscal year 2000 and \$120,000 in fiscal year 2001 is for the commissioner to provide funding to six additional living-at-home/block nurse programs. This appropriation shall become part of the base for the 2002-2003 biennium.

[MINNESOTA SENIOR SERVICE CORPS.] Of this appropriation, \$160,000 for the biennium is from the general fund to the commissioner for the following purposes:

(a) \$40,000 in fiscal year 2000 and \$40,000 in fiscal year 2001 is to increase the hourly stipend by ten cents per hour in the foster grandparent program, the retired and senior volunteer program, and the senior companion program.

(b) \$40,000 in fiscal year 2000 and \$40,000 in fiscal year 2001 is for a grant to the tri-valley opportunity council in Crookston to expand services in the ten-county area of northwestern Minnesota.

(c) This appropriation shall become part of the base for the 2002-2003 biennium.

[HEALTH INSURANCE COUNSELING.] Of this appropriation, \$100,000 in fiscal year 2000 and \$100,000 in fiscal year 2001 is from the general fund to the commissioner to transfer to the board on aging for the purpose of awarding health insurance counseling and assistance grants to the area agencies on aging providing state-funded health insurance counseling services. Access to health insurance counseling programs shall be provided by the senior linkage line service of the board on aging and the area agencies on aging. The board on aging shall explore opportunities for obtaining alternative funding from nonstate sources, including contributions from individuals seeking health insurance counseling services. This is a one-time appropriation and shall not become part of base level funding for this activity for the 2002-2003 biennium.

(d) Deaf and Hard-of-Hearing Services Grants

1,859,000	1,760,000
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[SERVICES TO DEAF PERSONS WITH MENTAL ILLNESS.] Of this appropriation, \$100,000 each year is to the commissioner for a grant to a nonprofit agency that currently serves deaf and

hard-of-hearing adults with mental illness through residential programs and supported housing outreach. The grant must be used to operate a community support program for persons with mental illness that is communicatively accessible for persons who are deaf or hard-of-hearing. This is a one-time appropriation and shall not become part of base level funding for this activity for the 2002-2003 biennium.

[DEAF-BLIND ORIENTATION AND MOBILITY SERVICES.] Of this appropriation, \$120,000 for the biennium is to the commissioner for a grant to Deaf-Blind Services Minnesota to hire an orientation and mobility specialist to work with deaf-blind people. The specialist will provide services to deaf-blind Minnesotans, and training to teachers and rehabilitation counselors, on a statewide basis. This is a one-time appropriation and shall not become part of base level funding for this activity for the 2002-2003 biennium.

(e) Mental Health Grants

General	45,169,000	46,528,000
Lottery Prize	1,158,000	1,158,000

[CRISIS HOUSING.] Of the general fund appropriation, \$126,000 in fiscal year 2000 and \$150,000 in fiscal year 2001 is to the commissioner for the adult mental illness crisis housing assistance program under Minnesota Statutes, section 245.99. This appropriation shall become part of the base for the 2002-2003 biennium.

[ADOLESCENT COMPULSIVE GAMBLING GRANT.] \$150,000 in fiscal year 2000 and \$150,000 in fiscal year 2001 is appropriated from the lottery prize fund created under Minnesota Statutes, section 349A.10, subdivision 2, to the commissioner for the purposes of a grant to a compulsive gambling council located in St. Louis county for a statewide compulsive gambling prevention and education project for adolescents.

(f) Developmental Disabilities Community Support Grants

	9,323,000	10,958,000
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[CRISIS INTERVENTION PROJECT.] Of this appropriation, \$40,000 in fiscal year 2000 is to the commissioner for the action, support, and prevention project of southeastern Minnesota.

[SILS FUNDING.] Of this appropriation, \$1,000,000 each year is for semi-independent living services under Minnesota Statutes, section 252.275. This appropriation must be added to the base level funding for this activity for the 2002-2003 biennium. Unexpended funds for fiscal year 2000 do not cancel but are available to the commissioner for this purpose in fiscal year 2001.

[FAMILY SUPPORT GRANTS.] Of this appropriation, \$1,000,000 in fiscal year 2000 and \$2,500,000 in fiscal year 2001 is to increase the availability of family support grants under Minnesota Statutes, section 252.32. This appropriation must be added to the base level funding for this activity for the 2002-2003 biennium. Unexpended funds for fiscal year 2000 do not cancel but are available to the commissioner for this purpose in fiscal year 2001.

(g) Medical Assistance Long-Term Care Waivers and Home Care

349,052,000

414,240,000

[PROVIDER RATE INCREASES.] (a) The commissioner shall increase reimbursement rates by four percent the first year of the biennium and by three percent the second year for the providers listed in paragraph (b). The increases shall be effective for services rendered on or after July 1 of each year.

(b) The rate increases described in this section shall be provided to home and community-based waived services for persons with mental retardation or related conditions under Minnesota Statutes, section 256B.501; home and community-based waived services for the elderly under Minnesota Statutes, section 256B.0915; waived services under community alternatives for disabled individuals under Minnesota Statutes, section 256B.49; community alternative care waived services under Minnesota Statutes, section 256B.49; traumatic brain injury waived services under Minnesota Statutes, section 256B.49; nursing services and home health services under Minnesota Statutes, section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivision 19a; private-duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7; day training and habilitation services for adults with mental retardation or related conditions under Minnesota Statutes, sections 252.40 to 252.46; alternative care services under Minnesota Statutes, section 256B.0913; adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760; semi-independent living services under Minnesota Statutes, section 252.275, including SILS funding under county social services grants formerly funded under Minnesota Statutes, chapter 256I; and community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication.

(c) The commissioner shall increase reimbursement rates by two percent for the group residential housing supplementary service rate under Minnesota Statutes, section 256I.05, subdivision 1a, for services rendered on or after January 1, 2000.

(d) Providers that receive a rate increase under this section shall use at least 80 percent of the additional revenue to increase the compensation paid to employees other than the administrator and central office staff.

(e) A copy of the provider's plan for complying with paragraph (d) must be made available to all employees. This must be done by giving each employee a copy or by posting it in an area of the provider's operation to which all employees have access. If an employee does not receive the salary adjustment described in the plan and is unable to resolve the problem with the provider, the employee may contact the employee's union representative. If the employee is not covered by a collective bargaining agreement, the employee may contact the commissioner at a phone number provided by the commissioner and included in the provider's plan.

(f) Section 13, sunset of uncodified language, does not apply to this provision.

[DEVELOPMENTAL DISABILITIES WAIVER SLOTS.] Of this appropriation, \$1,746,000 in fiscal year 2000 and \$4,683,000 in fiscal year 2001 is to increase the availability of home and community-based waiver services for persons with mental retardation or related conditions.

(h) Medical Assistance Long-Term Care Facilities

546,228,000

558,349,000

[MORATORIUM EXCEPTIONS.] Of this appropriation, \$250,000 in fiscal year 2000 and \$250,000 in fiscal year 2001 is from the general fund to the commissioner for the medical assistance costs of moratorium exceptions approved by the commissioner of health under Minnesota Statutes, section 144A.073. Unexpended money appropriated for fiscal year 2000 shall not cancel but shall be available for fiscal year 2001.

[NURSING FACILITY OPERATED BY THE RED LAKE BAND OF CHIPPEWA INDIANS.] (1) The medical assistance payment rates for the 47-bed nursing facility operated by the Red Lake Band of Chippewa Indians must be calculated according to allowable reimbursement costs under the medical assistance program, as specified in Minnesota Statutes, section 246.50, and are subject to the facility-specific Medicare upper limits.

(2) In addition, the commissioner shall make available an operating payment rate adjustment effective July 1, 1999, and July 1, 2000, that is equal to the adjustment provided under Minnesota Statutes, section 256B.431, subdivision 28. The commissioner must use the facility's final 1998 and 1999 Medicare cost reports, respectively, to calculate the adjustment. The adjustment shall be available based on a plan submitted and

approved according to Minnesota Statutes, section 256B.431, subdivision 28. Section 13, sunset of uncodified language, does not apply to this paragraph.

[COSTS RELATED TO FACILITY CERTIFICATION.] Of this appropriation, \$168,000 is for the costs of providing one-half the state share of medical assistance reimbursement for residential and day habilitation services under article 3, section ~~39~~ 43. This amount is available the day following final enactment.

(i) Alternative Care Grants

General	60,873,000	59,981,000
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[ALTERNATIVE CARE TRANSFER.] Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but shall be transferred to the medical assistance account.

[PREADMISSION SCREENING AMOUNT.] The preadmission screening payment to all counties shall continue at the payment amount in effect for fiscal year 1999.

[ALTERNATIVE CARE APPROPRIATION.] The commissioner may expend the money appropriated for the alternative care program for that purpose in either year of the biennium.

(j) Group Residential Housing

General	66,477,000	70,390,000
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[GROUP RESIDENTIAL FACILITY FOR WOMEN IN RAMSEY COUNTY.] (a) Notwithstanding Minnesota Statutes 1998, section 256I.05, subdivision 1d, the new 23-bed group residential facility for women in Ramsey county, with approval by the county agency, may negotiate a supplementary service rate in addition to the board and lodging rate for facilities licensed and registered by the Minnesota department of health under Minnesota Statutes, section ~~15.17~~ 157.17. The supplementary service rate shall not exceed \$564 per person per month and the total rate may not exceed \$1,177 per person per month.

(b) Of the general fund appropriation, \$19,000 in fiscal year 2000 and \$38,000 in fiscal year 2001 is to the commissioner for the costs associated with paragraph (a). This appropriation shall become part of the base for the 2002-2003 biennium.

(k) Chemical Dependency Entitlement Grants

General	36,751,000	38,847,000
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(l) Chemical Dependency Nonentitlement Grants

General	6,778,000	6,328,000
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[CHEMICAL DEPENDENCY SERVICES.] Of this appropriation, \$450,000 in fiscal year 2000 is to the commissioner for chemical dependency services to persons who qualify under Minnesota Statutes, section 254B.04, subdivision 1, paragraph (b).

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

Sec. 10. Laws 1999, chapter 245, article 4, section 121, is amended to read:

Sec. 121. [EFFECTIVE DATE.]

(a) Sections 3, 4, 5, 45, 95, and 97, subdivision 3, paragraph (d), are effective July 1, 2000.

(b) Section 56 is effective upon federal approval.

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

Sec. 11. [REPEALER.]

(a) Minnesota Statutes 1999 Supplement, section 144.396, subdivision 13, is repealed.

(b) Laws 1997, chapter 203, article 7, section 27, is repealed.

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

ARTICLE 12

STATE GOVERNMENT APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "2000" and "2001" mean that the appropriation or appropriations listed under them are available for the fiscal year ending June 30, 2000, or June 30, 2001, respectively, and if an earlier appropriation was made for that purpose for that year, the appropriation in this article is added to it. Where a dollar amount appears in parentheses, it means a reduction of an earlier appropriation for that purpose for that year.

SUMMARY BY FUND

	2000	2001	BIENNIAL TOTAL
General	\$2,994,000	\$(524,000)	\$2,470,000
Special Revenue	-0-	249,000	249,000
TOTAL	\$2,994,000	\$(275,000)	\$2,719,000

APPROPRIATIONS
Available for the Year
Ending June 30

2000 2001

\$ \$

Sec. 2. SECRETARY OF STATE

4,000,000 -0-

To construct and maintain the Uniform Commercial Code central filing system required by Laws 2000, chapter 399, to be available until June 30, 2001.

Sec. 3. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING

200,000 -0-

For grants of \$50,000 each to regional development commissions or, in regions not served by regional development commissions, to regional organizations selected by the director, to support planning work on behalf of local units of government. A region that received a grant from the appropriation in Laws 1999, chapter 250, article 1, section 11 or 14, for regional planning is not eligible to receive a grant from this appropriation. This appropriation is available until June 30, 2001. The planning work must include, but need not be limited to:

- (1) development of local zoning ordinances;
- (2) land use plans;
- (3) community or economic development plans;
- (4) transportation and transit plans;
- (5) solid waste management plans;
- (6) wastewater management plans;
- (7) workforce development plans;
- (8) housing development plans or market analysis;
- (9) rural health service and senior nutrition plans; or
- (10) natural resources management plans.

Sec. 4. ADMINISTRATION

Subdivision 1. Office of Technology Long-Range Plan

APPROPRIATIONS
Available for the Year
Ending June 30

	2000	2001
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Notwithstanding Laws 1999, chapter 250, article 1, section 12, subdivision 3, the appropriation for the second year is available for expenditure.

Subd. 2. Metropolitan Radio Board

	-0-	249,000
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This appropriation is from the special revenue fund.

This appropriation is canceled if a law is enacted authorizing a statewide 800 megahertz radio system.

Subd. 3. Year 2000 Contingency Surplus

Notwithstanding Laws 1999, chapter 250, article 1, section 12, subdivision 4, of the unexpended balance of the appropriation to address year 2000 changes, \$1,400,000 is reappropriated to enable the electronic delivery of government services and \$600,000 is added to the appropriation to the commissioner of revenue for the income tax reengineering initiative in Laws 1999, chapter 250, article 1, section 16, subdivision 2. These appropriations are available until June 30, 2003.

Subd. 4. Data Practices Base Adjustment

If H. F. No. 3501 is enacted by the 2000 legislature, the commissioner of finance shall not treat any costs imposed by it as a base adjustment to the budget of the department of administration for fiscal year 2002 or 2003.

Subd. 5. Facilities Management

	-0-	1,268,000
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To be added to the appropriation for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space, in Laws 1999, chapter 250, article 1, section 12, subdivision 5. This is a one-time appropriation.

Sec. 5. CAMPAIGN FINANCE AND DISCLOSURE BOARD

	38,000	-0-
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For legal costs for the board's defense of a constitutionality challenge, to be available until June 30, 2001.

Sec. 6. EMPLOYEE RELATIONS

	-0-	100,000
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To pay the costs of conducting the postretirement and active employee health care study and preparing the report required by 2000 S. F. No. 2796, article 5, section 1. The retirement funds participating in the study may contribute a total of \$100,000 additional money to help pay these costs.

APPROPRIATIONS
Available for the Year
Ending June 30
2000 2001

Sec. 7. GAMBLING CONTROL BOARD 90,000 -0-

For workers' compensation claims. Money not expended in the first year is available for expenditure in the second year.

Sec. 8. MINNEAPOLIS EMPLOYEES RETIREMENT FUND (1,334,000) (1,892,000)

This is a reduction in payments made to the Minneapolis employees retirement fund under Minnesota Statutes, section 422A.101, subdivision 3. The reduction for fiscal year 2002 is estimated to be \$1,892,000 and the reduction for fiscal year 2003 is estimated to be \$1,892,000.

Sec. 9. Minnesota Statutes 1999 Supplement, section 16A.103, subdivision 1, is amended to read:

Subdivision 1. [STATE REVENUE AND EXPENDITURES.] In February and November each year, the commissioner shall prepare a forecast of state revenue and expenditures. The November forecast must be delivered to the legislature and governor no later than the end of the first week of December. The February forecast must be delivered to the legislature and governor by the end of February. Forecasts must be delivered to the legislature and governor on the same day. If requested by the legislative commission on planning and fiscal policy, delivery to the legislature must include a presentation to the commission.

Subd. 1a. [FORECAST PARAMETERS.] The forecast must assume the continuation of current laws and reasonable estimates of projected growth in the national and state economies and affected populations. Revenue must be estimated for all sources provided for in current law. Expenditures must be estimated for all obligations imposed by law and those projected to occur as a result of inflation and variables outside the control of the legislature.

Subd. 1b. [FORECAST VARIABLE.] In determining the rate of inflation, the application of inflation, the amount of state bonding as it affects debt service, the calculation of investment income, and the other variables to be included in the expenditure part of the forecast, the commissioner must consult with the chair chairs and lead minority members of the senate state government finance committee; and the chair of the house committee on ways and means committee, and house and senate legislative fiscal staff. This consultation must occur at least three weeks before the forecast is to be released. No later than two weeks prior to the release of the forecast, the commissioner must inform the chairs and lead minority members of the senate state government finance committee and the house ways and means committee, and legislative fiscal staff of any changes in these variables from the previous forecast.

Subd. 1c. [EXPENDITURE DATA.] State agencies must submit any revisions in expenditure data the commissioner determines necessary for the forecast to the commissioner at least four weeks prior to the release of the forecast. The information submitted by state agencies and any modifications to that information made by the commissioner must be made available to legislative fiscal staff no later than three weeks prior to the release of the forecast.

Subd. 1d. [REVENUE DATA.] On a monthly basis, the commissioner must provide legislative fiscal staff with an update of the previous month's state revenues no later than 12 days after the end of that month.

Subd. 1e. [ECONOMIC INFORMATION.] The commissioner must review economic information including economic forecasts with legislative fiscal staff no later than two weeks before the forecast is released. The commissioner must invite the chairs and lead minority members of the senate state government finance committee and the house ways and means committee, and legislative fiscal staff to attend any meetings held with outside economic advisors. The commissioner must provide legislative fiscal staff with monthly economic forecast information received from outside sources.

Subd. 1f. [PERSONAL INCOME.] In addition, the commissioner shall forecast Minnesota personal income for each of the years covered by the forecast and include these estimates in the forecast documents.

Subd. 1g. [PERIOD TO BE FORECAST.] A forecast prepared during the first fiscal year of a biennium must cover that biennium and the next biennium. A forecast prepared during the second fiscal year of a biennium must cover that biennium and the next two bienniums.

Sec. 10. Minnesota Statutes 1998, section 16A.11, subdivision 3, is amended to read:

Subd. 3. [PART TWO: DETAILED BUDGET.] (a) Part two of the budget, the detailed budget estimates both of expenditures and revenues, must contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the governor's budget arranged in tabular form.

(b) The detailed estimates must include a separate line listing the total number of professional or technical service contracts and the total cost of those contracts for the prior biennium and the projected number of professional or technical service contracts and the projected costs of those contracts for the current and upcoming biennium. They must also include a summary of the personnel employed by the agency, reflected as full-time equivalent positions, and the number of professional or technical service consultants for the current biennium.

(c) The detailed estimates for internal service funds must include the number of full-time equivalents by program; detail on any loans from the general fund, including dollar amounts by program; proposed investments in technology or equipment of \$100,000 or more; an explanation of any operating losses or increases in retained earnings; and a history of the rates that have been charged, with an explanation of any rate changes and the impact of the rate changes on affected agencies.

Sec. 11. Minnesota Statutes 1998, section 16A.126, subdivision 2, is amended to read:

Subd. 2. [IMMEDIATE NEEDS.] To reduce reserves for unforeseen needs, and so reduce these rates, the commissioner may transfer money from the general fund to a revolving fund. Before doing so, the commissioner must decide there is not enough money in the revolving fund for an immediate, necessary expenditure. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of finance. The commissioner shall report the amount and purpose of the transfer to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the department of finance.

Sec. 12. Minnesota Statutes 1999 Supplement, section 16A.129, subdivision 3, is amended to read:

Subd. 3. [CASH ADVANCES.] When the operations of any nongeneral fund account would be impeded by projected cash deficiencies resulting from delays in the receipt of grants, dedicated income, or other similar receivables, and when the deficiencies would be corrected within the budget period involved, the commissioner of finance may use general fund cash reserves to meet cash demands. If funds are transferred from the general fund to meet cash flow needs, the cash flow transfers must be returned to the general fund as soon as sufficient cash balances are available in the account to which the transfer was made. ~~The fund to which general fund cash was advanced must pay interest on the cash advance at a rate comparable to the rate earned by the state on invested treasurer's cash, as determined monthly by the commissioner. An amount necessary to pay the interest is appropriated from the nongeneral fund to which the cash advance was made.~~ Any interest earned on general fund cash flow transfers accrues to the general fund and not to the accounts or funds to which the transfer was made. The commissioner may advance general fund cash reserves to nongeneral fund accounts where the receipts from other governmental units cannot be collected within the budget period.

Sec. 13. [16A.633] [CAPITAL FUNDING CONTINGENT ON MAINTAINING DATA.]

Subdivision 1. [STATE AGENCIES.] Each state agency shall provide to the commissioner of administration the data necessary for the commissioner to maintain the department's database on the location, description, and condition of state-owned facilities. The data must be provided by September 1 each year. The commissioner of administration must maintain both the current inventory data and historical data. A state agency is not eligible to receive capital funding unless the agency has provided the data required.

Subd. 2. [MINNESOTA STATE COLLEGES AND UNIVERSITIES.] The board of trustees of the Minnesota state colleges and universities shall establish and maintain data on the location, description, and condition of board-owned facilities that is comparable with the database established by the department of administration. The data must be updated annually and the board must maintain both current inventory data and historical data. The board is not eligible to receive capital funding unless the board has established and maintains the data required.

Subd. 3. [UNIVERSITY OF MINNESOTA.] The board of regents of the University of Minnesota is requested to establish and maintain data on the location, description, and condition of university-owned facilities that is comparable with the database established by the department of administration. The university is requested to update the data annually and maintain both current inventory data and historical data. The board of regents is not eligible to receive capital funding unless the board has established and maintains the data required.

Sec. 14. Minnesota Statutes 1998, section 16B.052, is amended to read:

16B.052 [AUTHORITY TO TRANSFER FUNDS.]

The commissioner may, with the approval of the commissioner of finance, transfer from an internal service or enterprise fund account to another internal service or enterprise fund account, any contributed capital appropriated by the legislature. The transfer may be made only to provide working capital or positive cash flow in the account to which the money is transferred. The commissioner shall report the amount and purpose of the transfer to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the department of administration. The transfer must be repaid within 18 months.

Sec. 15. Minnesota Statutes 1998, section 16B.48, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse intertechnologies and general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund must include reasonable overhead costs. The commissioner of administration shall report the rates to be charged for each revolving fund no later than July 1 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the department of administration. The commissioner of finance shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the commissioner of administration under this section must be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and finance, must be transferred to the general fund.

Sec. 16. Minnesota Statutes 1998, section 16B.485, is amended to read:

16B.485 [INTERFUND LOANS.]

The commissioner may, with the approval of the commissioner of finance, make loans from an internal service or enterprise fund to another internal service or enterprise fund, and the amount necessary is appropriated from the fund that makes the loan. The commissioner shall report the amount and purpose of the loan to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the department of administration. The term of a loan made under this section must be not more than 24 months.

Sec. 17. Minnesota Statutes 1998, section 16E.04, is amended by adding a subdivision to read:

Subd. 3. [RISK ASSESSMENT AND MITIGATION.] (a) A risk assessment and risk mitigation plan are required for an information systems development project estimated to cost more than \$1,000,000 that is undertaken by a state agency in the executive or judicial branch or by a constitutional officer. The commissioner of administration must contract with an entity outside of state government to conduct the assessment and prepare the mitigation plan for a project estimated to cost more than \$5,000,000. The outside entity conducting the risk assessment and preparing the mitigation plan must not have any other direct or indirect financial interest in the project. The risk assessment and risk mitigation plan must provide for periodic monitoring by the commissioner until the project is completed.

(b) The risk assessment and risk mitigation plan must be paid for with money appropriated for the information systems development project. No more than ten percent of the amount anticipated to be spent on the project, other than the money spent on the risk assessment and risk mitigation plan, may be spent until the risk assessment and mitigation plan are reported to the commissioner of administration and the commissioner has approved the risk mitigation plan.

Sec. 18. Minnesota Statutes 1998, section 422A.101, subdivision 3, is amended to read:

Subd. 3. [STATE CONTRIBUTIONS.] (a) Subject to the limitation set forth in paragraph (c), the state shall pay to the Minneapolis employees retirement fund annually an amount equal to the amount calculated under paragraph (b).

(b) The payment amount is an amount equal to the financial requirements of the Minneapolis employees retirement fund reported in the actuarial valuation of the fund prepared by the commission-retained actuary pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded actuarial accrued liabilities by June 30, 2020, less the amount of employee contributions required pursuant to section 422A.10, and the amount of employer contributions required pursuant to subdivisions 1a, 2, and 2a. Payments shall be made ~~in four equal installments, occurring on March 15, July 15, September 15, and November 15~~ annually.

(c) The annual state contribution under this subdivision may not exceed ~~\$10,455,000 through fiscal year 1998 and \$9,000,000 beginning in fiscal year 1999~~, plus the cost of the annual supplemental benefit determined under section 356.865.

(d) If the amount determined under paragraph (b) exceeds \$11,910,000, the excess must be allocated to and paid to the fund by the employers identified in subdivisions 1a and 2, other than units of metropolitan government. Each employer's share of the excess is proportionate to the employer's share of the fund's unfunded actuarial accrued liability as disclosed in the annual actuarial valuation prepared by the actuary retained by the legislative commission on pensions and retirement compared to the total unfunded actuarial accrued liability attributed to all employers identified in subdivisions 1a and 2, other than units of metropolitan government. Payments must be made in equal installments as set forth in paragraph (b).

Sec. 19. Laws 1999, chapter 250, article 1, section 11, is amended to read:

Sec. 11. OFFICE OF STRATEGIC AND LONG-RANGE
PLANNING

6,891,000

4,417,000

\$100,000 the first year is to integrate the office's information technology and is available until June 30, 2003. The director shall report on the progress of the unit to the chairs of the legislative committees responsible for this budget item by January 15, 2000, 2001, and 2002.

\$1,600,000 the first year is for a generic environmental impact statement on animal agriculture.

\$200,000 the first year is to perform program evaluations of agencies in the executive branch.

The program evaluation division will report to the legislature by December 1, 2000, ways to reduce state government expenditures by five to ten percent.

\$100,000 the first year is to provide administrative support to community-based planning efforts.

\$150,000 the first year is for a grant of \$50,000 to the southwest regional development commission for the continuation of the pilot program and two additional grants of \$50,000 each to regional development commissions or, in regions not served by regional development commissions, to regional organizations selected by the director of strategic and long-range planning, to support planning work on behalf of local units of government. The planning work shall include, but need not be limited to:

- (1) development of local zoning ordinances;
- (2) land use plans;
- (3) community or economic development plans;
- (4) transportation and transit plans;
- (5) solid waste management plans;
- (6) wastewater management plans;
- (7) workforce development plans;
- (8) housing development plans and/or market analysis;
- (9) rural health service plans;
- (10) natural resources management plans; or

(11) development of geographical information systems database to serve a region's needs, including hardware and software purchases and related labor costs.

\$200,000 the first year is to prepare the generic environmental impact statement on urban development required by section 108. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$24,000 the first year is for the southwest Minnesota wind monitoring project.

\$100,000 the first year is for a grant to the city of Mankato to complete the Mankato area growth management and planning study, phase 2. The appropriation is available until June 30, 2002. The appropriation must be matched by an in-kind donation of \$100,000 in administrative, technical, and higher educational internship support and supervision. The value of the in-kind donations must be determined by the commissioner of finance.

The city shall serve as fiscal agent to complete the study under the 1997 regional planning joint powers agreement among the cities of Mankato, North Mankato, and Eagle Lake; the counties of Nicollet and Blue Earth; and the towns of Mankato, South Bend, Lime, Decoria, and Belgrade, without limitation on the rights of the parties to that agreement to add or remove members. The study is intended as an alternative to community-based planning. The study is intended to develop information and analysis to provide guidance on such issues as:

(1) the development of joint planning agreements to implement a unified growth management strategy;

(2) joint service ventures, such as planning or zoning administration in urban fringe areas;

(3) orderly growth and annexation agreements between cities and townships;

(4) feedlot regulations in urban fringe areas and future growth corridors;

(5) service strategies for unsewered subdivisions;

(6) other joint ventures for city, county, and township service delivery in fringe areas;

(7) feasibility of a rural township taxing district; and

(8) alternatives to the current community-based planning legislation that would add flexibility and improve the planning process.

The city of Mankato shall report the results of the study to the legislature by January 15, 2002.

Sec. 20. Laws 1999, chapter 250, article 1, section 12, subdivision 8, is amended to read:

Subd. 8. Public Broadcasting

3,443,000	3,330,000
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\$1,450,000 the first year and \$1,450,000 the second year are for matching grants for public television.

\$600,000 the first year and \$600,000 the second year are for public television equipment needs. Equipment grant allocations shall be made after considering the recommendations of the Minnesota public television association.

\$441,000 the first year and \$441,000 the second year are for grants and for contracts with the senate and house of representatives for ~~public information~~ television, Internet, intranet, and other transmission of legislative activities. At least one-half must go for programming to be ~~broadcast in~~ transmitted to rural Minnesota.

\$25,000 the first year and \$25,000 the second year are for grants to the Twin Cities regional cable channel.

\$320,000 the first year and \$320,000 the second year are for community service grants to public educational radio stations, which must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 129D.14. Of this appropriation, \$30,000 the first year and \$30,000 the second year are for station WTIP-FM in Grand Marais, which need not meet the requirements of Minnesota Statutes, section 129D.14, until July 1, 2002.

\$494,000 the first year and \$494,000 the second year are for equipment grants to public radio stations. These grants must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations and Minnesota Public Radio, Inc.

If an appropriation for either year for grants to public television or radio stations is not sufficient, the appropriation for the other year is available for it.

Sec. 21. Laws 1999, chapter 250, article 1, section 14, subdivision 3, is amended to read:

Subd. 3. Information and Management Services

16,643,000	9,932,000
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~~\$100,000 the first year is for a grant to the city of Mankato to complete the Mankato area growth management and planning study, phase 2. The appropriation is available until June 30, 2002. The appropriation must be matched by an in-kind donation of \$100,000 in administrative, technical, and higher educational internship support and supervision. The value of the in-kind donations must be determined by the commissioner of finance.~~

~~The city shall serve as fiscal agent to complete the study under the 1997 regional planning joint powers agreement among the cities of Mankato, North Mankato, and Eagle Lake; the counties of Nicollet and Blue Earth; and the towns of Mankato, South Bend, Lime, Decoria, and Belgrade, without limitation on the rights of the parties to that agreement to add or remove members. The study is intended as an alternative to community-based planning. The study is intended to develop information and analysis to provide guidance on such issues as:~~

- ~~(1) the development of joint planning agreements to implement a unified growth management strategy;~~
- ~~(2) joint service ventures, such as planning or zoning administration in urban fringe areas;~~
- ~~(3) orderly growth and annexation agreements between cities and townships;~~
- ~~(4) feedlot regulations in urban fringe areas and future growth corridors;~~
- ~~(5) service strategies for unsewered subdivisions;~~
- ~~(6) other joint ventures for city, county, and township service delivery in fringe areas;~~
- ~~(7) feasibility of a rural township taxing district; and~~
- ~~(8) alternatives to the current community-based planning legislation that would add flexibility and improve the planning process.~~

~~The city of Mankato shall report the results of the study to the legislature by January 15, 2002.~~

~~\$6,839,000 the first year is a one-time appropriation to upgrade the human resources and payroll system and is available until June 30, 2003. The commissioner shall report on the progress of this project to the chairs of the legislative committees responsible for this budget item by January 15, 2000, 2001, and 2002.~~

~~The commissioner of finance shall work with the commissioners of employee relations and administration and shall develop as part of the human resource and payroll systems upgrade, and submit to~~

the chairs of the senate governmental operations budget division and the house state government finance committee by January 15, 2000, a long-range plan for the statewide business systems: human resources, payroll, accounting, and procurement. The plan must detail each system's original development costs, its expected life cycle, the estimated cost of upgrading software to newer versions during its life cycle, its operating costs to date, and the factors that are expected to drive future operating costs within the departments of finance, administration, and employee relations. The plan must also include an evaluation of and recommendations on whether, for the statewide business systems, the state should use software that is developed and maintained in house; proprietary software, either modified or unmodified; a private vendor; or a particular combination of these options.

The commissioner of finance, in consultation with senate and house fiscal staff and the commissioner of administration, shall develop recommendations for inclusion in the governor's fiscal year 2002-2003 budget document on the presentation of internal service funds. The commissioner of finance shall submit the recommendations to the chairs of the senate governmental operations budget division and the house state government finance committee by January 15, 2000.

The department shall prepare a separate budget book for the biennium beginning July 1, 2001, containing all of the administration's technology initiatives. The book must also include a complete inventory of state-owned and leased technology, along with a projected replacement schedule. The inventory must include information on how the technology fits into the state's master plan.

Sec. 22. Laws 1999, chapter 250, article 1, section 18, is amended to read:

Sec. 18. VETERANS AFFAIRS	5,885,000	4,369,000
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\$1,544,000 the first year and \$1,544,000 the second year are for emergency financial and medical needs of veterans. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$12,000 the first year and \$13,000 the second year are one-time funding to provide grants to local veterans' organizations that provide transportation services for veterans to veterans administration medical facilities.

The commissioner of veterans affairs, in cooperation with the board of directors of the Minnesota veterans homes and the United States Veterans Administration, shall study the feasibility and desirability of supplementing the missions of the veterans homes and the Veterans Administration hospitals in Minnesota by entering into agreements with health care providers throughout the state to provide free or reduced-cost comprehensive health care

to veterans close to their places of residence as a supplement to private health insurance. The commissioner shall report the results of the study and any recommendations to the legislature by January 15, 2000.

With the approval of the commissioner of finance, the commissioner of veterans affairs may transfer the unencumbered balance from the veterans relief program to other department programs during the fiscal year. Before the transfer, the commissioner of veterans affairs shall explain why the unencumbered balance exists. The amounts transferred must be identified to the chairs of the senate governmental operations budget committee and the house state government finance committee.

\$275,000 the first year and \$275,000 the second year are for a grant to the Vinland National Center.

\$1,485,000 the first year is to make bonus payments authorized under Minnesota Statutes, section 197.79. The appropriation may not be used for administrative purposes. The appropriation does not expire until the commissioner acts on all applications submitted under Minnesota Statutes, section 197.79.

\$105,000 the first year is to administer the bonus program established under Minnesota Statutes, section 197.79. The appropriation does not expire until the commissioner acts on all the applications submitted under Minnesota Statutes, section 197.79.

\$233,000 the first year and \$235,000 the second year are for grants to county veterans offices ~~for training of county veterans service officers to enhance their effectiveness.~~

Sec. 23. [CLARIFICATION; EFFECT ON REPEAL.]

Laws 1999, chapter 250, article 3, does not repeal rules or fees in effect on the day before the effective date of Laws 1999, chapter 250, article 3.

Sec. 24. [BASE ADJUSTMENTS PROHIBITED.]

If a capital project authorized by the 2000 legislature causes a change in operating costs for a state agency, the commissioner of finance shall not treat that change as a base adjustment in the agency's budget for fiscal years 2002 and 2003.

Sec. 25. [REPEALER.]

Laws 1999, chapter 250, article 1, section 15, subdivision 4, is repealed.

Sec. 26. [EFFECTIVE DATE.]

Except as otherwise provided in this article, this article is effective the day following final enactment. Section 13 is effective June 30, 2001. Section 17 is effective the day following final enactment and applies to information systems development projects that have not progressed beyond initial planning and assessment before its effective date.

ARTICLE 13

MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION

Section 1. [MINNESOTA WORKERS' COMPENSATION ASSIGNED RISK PLAN SURPLUS UTILIZATION.]

On January 15, 2001, the commissioner of finance shall transfer \$15,000,000 in assets of the assigned risk plan to the general fund and \$15,000,000 is appropriated from the general fund to the commissioner of commerce to be paid to the Minnesota comprehensive health association for the exclusive purpose of reducing the association's operating deficit assessment for calendar year 2001."

Delete everything after the enacting clause and insert:

"A bill for an act relating to state government; appropriating money for jobs and economic development, environment, natural resources, agriculture, criminal justice, state government, health, and human services; modifying term limit provisions for the rehabilitation advisory council for the blind; modifying a match requirement for the Judy Garland museum; exempting certain individuals from certain unemployment insurance additional benefits requirements; authorizing certain school food service workers to use wage credits earned for benefit purposes; exempting the jobs skills partnership board from certain state contracting requirements; modifying certain fees; providing for the expiration of securities filings; providing for a refund of certain excess securities fees; authorizing the rural policy and development center board to appoint additional members; authorizing the job skills partnership board to make certain grants; authorizing the Minnesota state colleges and universities board to make certain investments; increasing certain penalties; providing certain rights to next of kin of a deceased employee; extending the expiration date of the legislative electric energy task force; modifying provisions relating to renewable energy incentive payments; setting a goal for the department of economic security; increasing grant limits; modifying unemployment benefit eligibility; modifying a dislocated worker grant provision; codifying electrical inspection fee provisions; extending sunset date for board of boxing; transferring boxing regulation to the board of health; authorizing a study; modifying unclaimed property provisions; extending the time a grant is available; canceling certain appropriations; reducing appropriations to the department of commerce; modifying agricultural licensing fees; changing certain agricultural chemical reimbursement and ethanol producer payment provisions; modifying provisions relating to rural finance authority; creating the agroforestry loan program; creating certain recreation areas; modifying natural resources funding formulas; modifying state trail and park provisions; modifying drainage authority funding sources; modifying storage tank provisions; modifying certain resource recovery facility provisions; modifying provisions relating to state land transfers; creating an agricultural land set-aside program; increasing criminal penalty fines; requiring a study on issues related to providing shelter for victims of domestic violence; authorizing local road authorities to provide by ordinance for designation of pedestrian safety crossings on highways under certain circumstances; establishing a capitol complex oversight committee consisting of legislative and executive agency members to plan and oversee security in the capitol complex area; requiring the Minnesota safety council to enhance its crosswalk safety awareness program; authorizing the council to make grants to local units of government for enhancing enforcement of pedestrian safety laws; establishing a joint domestic abuse prosecution unit to be administered by the Ramsey county attorney's office and St. Paul city attorney office; establishing a grant program for peace officer education to combat juvenile prostitution; requiring the commissioner of public safety to develop an automobile theft prevention program; requiring the commissioner of corrections to develop a uniform method to calculate per diem cost of incarcerating offenders at state adult correctional facilities; adopting a formula that requires counties and the state to share costs of confinement at Minnesota correctional facility-Red Wing; authorizing the commissioner of corrections to make juvenile residential treatment grants; requiring placement of juveniles at Red Wing if admission criteria are met unless the court finds the safety of the child or community can best be met in an out-of-state facility; requiring mandatory commitment to the commissioner of corrections of certain juveniles who have refused or failed to complete sex offender or chemical treatment programs; authorizing conveyance of state land for regional jail programs; modifying provisions relating to state government operations; reducing the Minnesota comprehensive health association's operating deficit assessment; allowing a hospital construction project in Beltrami county; allowing exceptions to the nursing home moratorium; removing the reimbursement prohibition for marriage and family therapists under medical assistance; expanding the senior drug

program; requiring information on prescription drug patient assistance; changing long-term care provisions; increasing rates for nursing facilities and other providers; changing provisions governing public assistance programs; providing for immigration status verification and requiring a report to the Immigration and Naturalization Service on undocumented aliens; making changes to the distribution and treatment of child support in public assistance programs; establishing a local interventions for self-sufficiency grant program; establishing a supportive housing pilot project; establishing a nontraditional career assistance and training program; establishing an at-risk youth out-of-wedlock pregnancy prevention program; extending public assistance eligibility for certain groups; authorizing county pilot projects for families on public assistance; making technical corrections; amending Minnesota Statutes 1998, sections 16A.11, subdivision 3; 16A.126, subdivision 2; 16B.052; 16B.48, subdivision 4; 16B.485; 16C.05, subdivision 3; 16E.04, by adding a subdivision; 17.4988, subdivision 2; 17A.03, subdivision 5; 18E.04, subdivision 4; 41A.09, subdivision 3a; 41B.03, subdivisions 1 and 2; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 2; 41B.045, subdivision 2; 60H.03, by adding a subdivision; 80A.122, by adding a subdivision; 80A.28, subdivision 1; 85.015, by adding a subdivision; 85.34, subdivision 1, and by adding subdivisions; 97A.055, subdivision 2; 103E.011, by adding a subdivision; 116L.04, subdivision 1; 125A.74, subdivisions 1 and 2; 144.551, subdivision 1; 144A.071, subdivision 4a, and by adding a subdivision; 148B.32, subdivision 1; 168A.40, subdivisions 3 and 4; 169.21, subdivisions 2 and 3; 169.89, subdivision 2; 181A.12, subdivision 1; 182.661, subdivision 1; 182.666, subdivision 2, and by adding a subdivision; 216C.41, subdivision 3; 242.41; 242.43; 242.44; 252.28, by adding a subdivision; 256.01, by adding a subdivision; 256.741, by adding a subdivision; 256.955, subdivisions 1, 2, and by adding subdivisions; 256.9751; 256B.0625, by adding a subdivision; 256B.431, by adding subdivisions; 256B.434, by adding a subdivision; 256B.501, by adding a subdivision; 256B.69, subdivision 5d; 256J.32, by adding a subdivision; 256J.45, subdivision 3; 256J.47, subdivision 1; 256J.49, subdivision 13; 256J.50, subdivisions 5 and 7; 256L.05, subdivision 5; 268.362, subdivision 2; 297A.44, subdivision 1; 345.31, by adding a subdivision; 345.39, subdivision 1; 383B.235, by adding a subdivision; 422A.101, subdivision 3; 609.02, subdivisions 3 and 4a; 609.03; 609.033; 609.0331; 609.0332, subdivision 1; and 609.034; Minnesota Statutes 1999 Supplement, sections 16A.103, subdivision 1; 16A.129, subdivision 3; 62J.535, subdivision 2; 116.073, subdivision 1; 116J.421, subdivision 2; 119B.011, subdivision 15; 144.395, by adding a subdivision; 144.396, subdivisions 11 and 12; 242.192; 256.01, subdivision 2; 256.019; 256.955, subdivisions 4, 8, and 9; 256B.057, subdivision 3; 256B.0916, subdivision 1; 256B.094, subdivision 6; 256B.431, subdivisions 17 and 28; 256B.69, subdivisions 5b and 5c; 256D.03, subdivision 4; 256D.053, subdivision 1; 256J.08, subdivision 86; 256J.21, subdivision 2; 256J.33, subdivision 4; 256J.34, subdivisions 1 and 4; 256J.37, subdivision 9; 256J.52, subdivisions 3 and 5; 256J.56; 268.085, subdivision 4; 268.98, subdivision 3; and 326.105; Laws 1997, chapter 200, article 1, section 5, subdivision 3; chapter 203, article 9, section 21, as amended; chapter 225, article 4, section 4, as amended; Laws 1998, chapter 389, article 16, section 31, subdivision 2, as amended; chapter 404, section 7, subdivision 23, as amended; Laws 1999, chapter 216, article 1, sections 7, subdivision 6; 9; 14; and 18; chapter 223, article 1, section 6, subdivision 1; article 2, section 81, as amended; chapter 231, sections 2, subdivision 2; 6, as amended; 11, subdivision 3; and 14; chapter 245, article 1, section 2, subdivisions 5 and 8; article 4, section 121; and article 10, section 10; and chapter 250, article 1, sections 11; 12, subdivision 8; 14, subdivision 3; and 18; proposing coding for new law in Minnesota Statutes, chapters 16A; 41B; 116L; 136F; 144; 169; 182; 241; 242; 256J; 256K; 260B; 268; 299A; 299E; 326; and 345; repealing Minnesota Statutes 1998, section 168A.40, subdivision 1; Minnesota Statutes 1999 Supplement, sections 144.396, subdivision 13; and 168A.40, subdivision 2; Laws 1997, chapter 203, article 7, section 27; and Laws 1999, chapter 250, article 1, section 15, subdivision 4; and Minnesota Rules, part 3800.3810."

We request adoption of this report and repassage of the bill.

House Conferees: KEVIN GOODNO, TIM FINSETH, LYNDA BOUDREAU AND ROD SKOE.

Senate Conferees: DON SAMUELSON, JANE KRENTZ, LEONARD R. PRICE, JERRY R. JANEZICH AND SHEILA M. KISCADEN.

Goodno moved that the report of the Conference Committee on H. F. No. 2699 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2699, A bill for an act relating to public administration; appropriating money for health and human services, agriculture, environment and natural resources, criminal justice, state government, and economic development; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; providing penalties; amending Minnesota Statutes 1998, sections 13.82, subdivision 3b; 15.0591, subdivision 2; 15A.0815, subdivisions 2 and 3; 16A.10, by adding a subdivision; 16A.11, subdivision 3; 16A.124, by adding a subdivision; 16A.126, subdivision 2; 16B.052; 16B.31, by adding a subdivision; 16B.335, subdivision 5; 16B.42, subdivisions 2 and 3; 16B.48, subdivision 4; 16B.485; 17A.03, subdivision 5; 18E.04, subdivision 4; 41A.09, subdivision 3a; 41B.03, subdivisions 1 and 2; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 2; 41B.045, subdivision 2; 43A.38, subdivision 1; 60H.03, by adding a subdivision; 80A.122, by adding a subdivision; 80A.28, subdivision 1; 85A.02, subdivision 5a; 103E.011, by adding a subdivision; 115B.17, subdivision 19; 119A.05, subdivision 1; 119A.37, subdivision 4; 120B.22, subdivision 1; 121A.15, subdivisions 4 and 10; 125A.74, subdivisions 1 and 2; 138.17, subdivision 10; 144.551, subdivision 1; 144A.071, by adding a subdivision; 169.01, subdivision 37; 169.121, subdivision 3b; 169.129, by adding a subdivision; 169.21, subdivisions 2 and 3; 169.89, subdivision 2; 179A.18, subdivision 1; 181.932, subdivision 1; 182.661, subdivision 1; 182.666, subdivision 2, and by adding a subdivision; 193.143; 198.03, subdivision 1; 221.173; 242.41; 242.43; 242.44; 254B.03, subdivision 1; 256.01, by adding a subdivision; 256.011, subdivision 3; 256.741, by adding a subdivision; 256.955, subdivisions 1 and 2; 256.9753, subdivision 3; 256.995, subdivision 1; 256B.431, by adding subdivisions; 256B.69, subdivision 5d; 256J.08, by adding a subdivision; 256J.15, by adding a subdivision; 256J.32, by adding a subdivision; 256J.40; 256J.45, subdivision 3; 256J.46, by adding subdivisions; 256J.47, subdivision 1; 256J.49, subdivision 13; 256J.50, subdivisions 5 and 7; 256J.52, by adding a subdivision; 256L.05, subdivision 5; 257.75, subdivision 6; 268.362, subdivision 2; 345.31, by adding a subdivision; 345.39, subdivision 1; 349A.02, subdivision 1; 352.91, subdivision 3c, and by adding subdivisions; 352D.02, subdivision 1; 352D.04, subdivision 2; 356.30, subdivision 1; 383B.225, subdivision 2; 390.005, subdivision 3; 390.33, subdivision 1; 422A.101, subdivision 3; 471.345, by adding a subdivision; 490.121, subdivision 4, and by adding a subdivision; 490.123, subdivisions 1a and 1b; 490.124, subdivision 1; 518B.01, subdivision 21; 609.02, subdivisions 3 and 4a; 609.03; 609.033; 609.0331; 609.0332, subdivision 1; 609.034; 609.135, by adding a subdivision; 609.2231, subdivision 1; 609.378, subdivision 1; 611A.07, subdivision 1; 611A.32, subdivisions 1, 2, 3, and 5; 611A.33; 611A.34, subdivisions 1, 2, and 3; 611A.345; 611A.35; 611A.36, subdivisions 1 and 2; 626.556, by adding a subdivision; 629.342, subdivision 2; and 629.72, subdivision 6; Minnesota Statutes 1999 Supplement, sections 3.971, subdivision 8; 10A.01, subdivisions 2 and 21; 13.99, subdivision 108, and by adding a subdivision; 15.059, subdivision 5a; 16A.103, subdivision 1; 16A.129, subdivision 3; 16B.616, subdivisions 3 and 4; 62J.535, subdivision 2; 62J.694, subdivision 2; 116.073, subdivision 1; 116J.421, subdivision 2; 119B.011, subdivision 15; 119B.02, subdivision 1; 125B.21, subdivision 1; 144.395, by adding a subdivision; 144.396, subdivisions 11 and 12; 144A.04, subdivision 5; 147.09; 169.121, subdivisions 3, 3d, and 3f; 169.1217, subdivision 7; 169.129, subdivision 1; 179A.04, subdivision 3; 181.932, subdivision 2; 214.01, subdivision 2; 241.272, subdivision 6; 242.192; 256.01, subdivision 2; 256.019; 256.955, subdivisions 4, 8, and 9; 256B.0916, subdivision 1; 256B.69, subdivision 5b; 256D.03, subdivision 4; 256J.02, subdivision 2; 256J.08, subdivision 86; 256J.21, subdivision 2; 256J.26, subdivision 1; 256J.33, subdivision 4; 256J.34, subdivisions 1 and 4; 256J.46, subdivisions 1, 2, and 2a; 256J.52, subdivisions 3 and 5; 256J.56; 256L.07, subdivision 1; 326.105; 473.3993, subdivision 3; 609.135, subdivision 2; 626.556, subdivision 2; and 626.558, subdivision 1; Laws 1997, chapter 200, article 1, section 5, subdivision 3; Laws 1997, chapter 225, article 4, section 4, as amended; Laws 1998, chapter 389, article 16, section 31, subdivision 2, as amended; Laws 1999, chapter 216, article 1, sections 2, subdivision 3; 9; 14; Laws 1999, chapter 223, article 1, section 6, subdivision 1; article 2, section 81, as amended; article 3, section 8; Laws 1999, chapter 231, sections 2, subdivision 2; 6, as amended; 11, subdivision 3; Laws 1999, chapter 245, article 1, section 2, subdivisions 3, 5, and 10; article 4, section 121; and Laws 1999, chapter 250, article 1, sections 11; 14, subdivision 3; 18; and 116; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 10A; 16A; 41B; 43A; 85; 136F; 144; 145; 169; 181; 182; 198; 242; 252; 256J; 256K; 260B; 326; 345; 473; and 611A; proposing coding for new law as Minnesota Statutes, chapter 146A; repealing Minnesota Statutes 1998, sections 16B.37, subdivisions 1, 2, and 3; 16B.88; 16E.01, subdivisions 2 and 3; 16E.03, subdivisions 1 and 3; 16E.04, subdivision 1; 16E.05; 16E.06; 16E.07, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; 136F.59, subdivision 3; 168A.40, subdivisions 1 and 3; 184A.01; 184A.02; 184A.03; 184A.04; 184A.05; 184A.06; 184A.07; 184A.08; 184A.09; 184A.10; 184A.11; 184A.12; 184A.13; 184A.14; 184A.15; 184A.16; 184A.17; 184A.18; 184A.19; 184A.20; 241.41; 241.42; 241.43; 241.44; 241.441; 241.45; 256J.46, subdivision 1a; 352.91, subdivision 4; 465.795; 465.796; 465.797, subdivisions

2, 3, 4, 5, 6, and 7; 465.7971; 465.798; 465.799; 465.801; 465.802; 465.803; 465.81; 465.82, subdivisions 1, 2, and 3; 465.83; 465.84; 465.85; 465.86; 465.87; and 465.88; Minnesota Statutes 1999 Supplement, sections 16E.01, subdivision 1; 16E.02; 16E.03, subdivisions 2, 4, 5, 6, 7, and 8; 16E.04, subdivision 2; 16E.07, subdivision 4; 16E.08; 43A.318; 144.396, subdivision 13; 168A.40, subdivision 2; 465.797, subdivisions 1 and 5a; and 465.82, subdivision 4; Laws 1997, chapter 203, article 7, section 27; Laws 1999, chapter 135, section 9; Laws 1999, chapter 245, article 5, section 24; and Laws 1999, chapter 250, article 1, section 15, subdivision 4; Minnesota Rules, parts 3800.3810; 7672.0100; 7672.0200; 7672.0300; 7672.0400; 7672.0500; 7672.0600; 7672.0700; 7672.0800; 7672.0900; 7672.1000; 7672.1100; 7672.1200; 7672.1300; 7674.0100; 7674.0200; 7674.0300; 7674.0400; 7674.0500; 7674.0600; 7674.0700; 7674.0800; 7674.0900; 7674.1000; 7674.1100; and 7674.1200.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 110 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Howes	Mahoney	Pelowski	Swenson
Anderson, I.	Dorn	Huntley	Mares	Peterson	Sykora
Bakk	Entenza	Jaros	Mariani	Pugh	Tingelstad
Biernat	Erhardt	Jennings	McCollum	Rest	Tomassoni
Bishop	Erickson	Johnson	McElroy	Rhodes	Trimble
Boudreau	Finseth	Juhnke	McGuire	Rifenberg	Tuma
Bradley	Folliard	Kahn	Molnau	Rostberg	Tunheim
Broecker	Fuller	Kalis	Mulder	Rukavina	Vandever
Carlson	Goodno	Kelliher	Mullery	Schumacher	Wagenius
Carruthers	Gray	Kielkucki	Murphy	Seagren	Wenzel
Cassell	Greenfield	Knoblach	Ness	Seifert, J.	Westerberg
Chaudhary	Greiling	Koskinen	Nornes	Seifert, M.	Westfall
Clark, J.	Gunther	Kubly	Opatz	Skoe	Westrom
Clark, K.	Haake	Kuisle	Osskopp	Skoglund	Winter
Daggett	Haas	Larsen, P.	Osthoff	Solberg	Spk. Sviggum
Davids	Hackbarth	Leighton	Otremba	Stanek	
Dawkins	Harder	Leppik	Ozment	Stang	
Dehler	Hasskamp	Lieder	Pawlenty	Storm	
Dempsey	Hilty	Luther	Paymar	Swapinski	

Those who voted in the negative were:

Abrams	Gleason	Larson, D.	Milbert	Smith	Workman
Anderson, B.	Holberg	Lenczewski	Olson	Van Dellen	
Buesgens	Holsten	Lindner	Paulsen	Wejcman	
Gerlach	Krinkie	Marko	Reuter	Wilkin	

The bill was repassed, as amended by Conference, and its title agreed to.

TAKEN FROM THE TABLE

Pawlenty moved that H. F. No. 3800, as amended by Conference, be taken from the table. The motion prevailed.

H. F. No. 3800, as amended by Conference, was reported to the House.

H. F. No. 3800, A bill for an act relating to education; providing for family and early childhood education; making changes to adult basic education programs; modifying child care licensing and inservice training requirements; transferring energy assistance programs; changing eligibility for individual development accounts; changing requirements for child care assistance; providing for kindergarten through grade 12 general education, special programs, employment and transitions, facilities and technology, educational excellence and other policy, nutrition, fund transfers, libraries, and technical, conforming, and clarifying amendments; providing for higher education; modifying salary and compensation procedures for the chancellor and other personnel of the Minnesota state colleges and universities; requiring board of regents and board of trustees to maintain certain data to be eligible for capital funding; modifying and making technical changes for state designer selection board, student residency, and child care grant provisions; increasing aggregate principal amount of revenue bonds issued by board of trustees; requiring a study and report; modifying state graduation requirements; providing for the North Star Standard alternative to the profile of learning; requiring board of trustees to plan and coordinate programs with certain intermediate school districts and to provide relief to campuses experiencing increased health care costs; transferring certain programs from the higher education services office to the department of children, families, and learning; appropriating money to Minnesota state colleges and universities to fund increased enrollment; appropriating money; amending Minnesota Statutes 1998, sections 15A.081, subdivision 7b, and by adding a subdivision; 16B.33, subdivisions 2 and 3a; 120A.22, subdivision 3; 120A.41; 120B.03, subdivisions 1 and 3; 121A.61, subdivision 3; 122A.18, subdivision 2; 122A.31, subdivision 4; 123A.06, by adding a subdivision; 123A.485, subdivision 4; 123B.02, by adding a subdivision; 123B.51, subdivision 6; 123B.52, by adding a subdivision; 123B.53, by adding subdivisions; 123B.59, subdivision 6, and by adding subdivisions; 123B.71, subdivisions 3 and 10; 123B.75, subdivision 5; 123B.79, subdivision 7; 123B.85, subdivision 1; 123B.86, subdivision 1; 123B.88, subdivision 3; 124D.081, subdivision 6; 124D.111, subdivision 1; 124D.128, subdivision 4; 124D.44; 124D.454, subdivisions 2 and 10; 124D.52, subdivisions 1, 2, 3, and by adding subdivisions; 124D.86, subdivision 6, and by adding subdivisions; 125A.76, subdivision 7; 126C.10, by adding a subdivision; 126C.12, subdivision 2; 126C.40, subdivision 1, and by adding a subdivision; 126C.69, subdivision 3; 127A.05, subdivision 4; 127A.41, subdivisions 8 and 9; 127A.48, subdivision 1; 135A.031, subdivision 2; 136A.125, by adding a subdivision; 136D.281, subdivision 4; 136D.741, subdivision 4; 136D.88, subdivision 4; 136F.40; 136F.98, subdivision 1; 245A.14, subdivision 4, and by adding subdivisions; 471.15; and 475.53, subdivision 4; Minnesota Statutes 1999 Supplement, sections 119B.011, subdivision 20; 120B.02; 120B.30, subdivision 1; 122A.09, subdivision 4; 123B.53, subdivisions 4, 6, and by adding subdivisions; 123B.54; 123B.59, subdivision 6, and by adding subdivisions; 124D.10, subdivisions 3, 4, 6, 8, 10, 11, 14, 15, and 23; 124D.11, subdivisions 1, 4, and 6; 124D.1155, subdivision 2; 124D.128, subdivision 2; 124D.453, subdivision 3; 124D.53, subdivision 3; 124D.84, subdivision 1; 124D.86, subdivisions 1 and 3; 124D.87; 125A.023, subdivisions 3 and 5; 125A.08; 125A.15; 125A.76, subdivision 2; 125A.79, subdivision 8; 125A.80; 125B.21, subdivision 3; 126C.052; 126C.10, subdivisions 1, 2, 14, 23, 24, 25, and 26; 126C.12, subdivision 1; 126C.17, subdivision 9; 126C.40, subdivision 6; 126C.44; 126C.63, subdivision 8; 126C.69, subdivision 9; 127A.45, subdivision 12a; 127A.51; 181A.04, subdivision 6; 260C.143, subdivision 4; and 290.0674, subdivision 1; Laws 1997, First Special Session chapter 4, article 8, section 4, as amended; Laws 1998, First Special Session chapter 1, article 1, sections 10, subdivision 1, as amended; 11, subdivision 2, as amended; Laws 1999, chapter 205, article 1, sections 65; 71, subdivisions 3, 7, and 9; article 2, section 4, subdivisions 2, 3, and 4; article 3, section 5, subdivision 9; article 4, section 12, subdivisions 5, 6, and 7; chapter 241, article 1, sections 66; 68, subdivisions 4 and 5; 69; and 70; article 2, section 60, subdivisions 7, 9, 12, 13, 14, 17, and 19; article 3, sections 3, subdivisions 2 and 4; 5; article 4, sections 27, subdivisions 2, 3, 4, 5, 7, 10, and 11; and 29; article 5, section 18, subdivisions 5 and 6; article 6, section 14, subdivisions 2, 3, 4, and 5; article 8, section 4, subdivision 5; article 9, section 49; article 10, section 6; proposing coding for new law in Minnesota Statutes, chapters 16A; 120B; 121A; 122A; 123B; 124D; 125B; 134; repealing Minnesota Statutes 1998, sections 120B.03, subdivision 2; 120B.04; 123B.59, subdivision 7; 124D.453; 124D.53; 126C.30; 126C.31; 126C.32; 126C.33; 126C.34; 126C.35; 126C.36; 136D.281, subdivision 8; 136D.741, subdivision 8; and 136D.88, subdivision 8; Laws 1998, First Special Session chapter 1, article 1, section 10, subdivision 2, as amended; Laws 1999, chapters 216, article 4, section 12; 241, article 1, section 64; article 9, sections 35 and 36; article 10, section 5; and 245, article 4, section 3; Minnesota Rules, parts 3501.0300; 3501.0310; 3501.0320, subpart 2, items E and F; 3501.0330; 3501.0340; 3501.0350; 3501.0360; 3501.0370; 3501.0380; 3501.0390; 3501.0400;

3501.0410; 3501.0420; 3501.0430, items A to D; 3501.0440; 3501.0441; 3501.0442; 3501.0443; 3501.0444; 3501.0445; 3501.0446; 3501.0447; 3501.0448; 3501.0449; 3501.0450; 3501.0460; 3501.0461; 3501.0462; 3501.0463; 3501.0464; 3501.0465; 3501.0466; 3501.0467; 3501.0468; 3501.0469; 3535.9920; and 4830.9005 to 4830.9030.

The bill, as amended by Conference, was placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abeler	Entenza	Huntley	Mahoney	Paymar	Swenson
Abrams	Erhardt	Jaros	Mares	Pelowski	Sykora
Anderson, I.	Erickson	Jennings	Mariani	Peterson	Tingelstad
Bakk	Finseth	Johnson	Marko	Pugh	Tomassoni
Biernat	Folliard	Juhnke	McCollum	Rest	Trimble
Bishop	Fuller	Kahn	McElroy	Rhodes	Tuma
Boudreau	Gerlach	Kalis	McGuire	Rifenberg	Tunheim
Broecker	Gleason	Kelliher	Milbert	Rostberg	Vandever
Carlson	Goodno	Kielkucki	Molnau	Rukavina	Wagenius
Carruthers	Gray	Knoblach	Mulder	Schumacher	Wejzman
Cassell	Greenfield	Koskinen	Mullery	Seagren	Wenzel
Chaudhary	Greiling	Krinkie	Murphy	Seifert, J.	Westerberg
Clark, J.	Gunther	Kubly	Ness	Seifert, M.	Westfall
Clark, K.	Haake	Kuisle	Nornes	Skoe	Westrom
Daggett	Haas	Larsen, P.	Opatz	Skoglund	Wilkin
Davids	Hackbarth	Larson, D.	Osskopp	Smith	Winter
Dawkins	Harder	Leighton	Osthoff	Solberg	Workman
Dehler	Hasskamp	Lenczewski	Otremba	Stanek	Spk. Sviggum
Dempsey	Hilty	Leppik	Ozment	Stang	
Dorman	Holsten	Lieder	Paulsen	Storm	
Dorn	Howes	Luther	Pawlenty	Swapinski	

Those who voted in the negative were:

Anderson, B.	Buesgens	Lindner	Reuter
Bradley	Holberg	Olson	Van Dellen

The bill was repassed, as amended by Conference, and its title agreed to.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 4078

A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions and directions; establishing the Red River State Recreation Area and the Mill Towns Trail; establishing a working group on effects of increased activity in the DM&E railroad corridor; providing for certain surcharge forgiveness for a time for Gillette Children's Hospital, with certain conditions; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 1998, sections 85.015, by adding a subdivision; 136F.36, subdivisions 1, 3, and by adding a subdivision; 136F.60, by adding a subdivision; and 136F.64, subdivision 1; Minnesota Statutes 1999 Supplement, sections

119A.45; and 124D.88, subdivision 3; Laws 1998, chapter 404, sections 3, subdivision 24; 5, subdivision 11, as amended; 7, subdivision 23, as amended; and 23, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 240A.

May 9, 2000

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 4078, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 4078 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

CAPITAL IMPROVEMENTS

Section 1. [CAPITAL IMPROVEMENT APPROPRIATIONS.]

The sums in the column under "APPROPRIATIONS" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes including, but not limited to, acquiring and bettering public land and buildings and other public improvements of a capital nature, as specified in this article. Unless otherwise specified, the appropriations in this article are available until the project is completed or abandoned.

SUMMARY

UNIVERSITY OF MINNESOTA	\$100,213,000
MINNESOTA STATE COLLEGES AND UNIVERSITIES	131,021,000
PERPICH CENTER FOR ARTS EDUCATION	877,000
CHILDREN, FAMILIES, AND LEARNING	80,741,000
MINNESOTA STATE ACADEMIES	3,066,000
NATURAL RESOURCES	73,177,000
OFFICE OF ENVIRONMENTAL ASSISTANCE	2,200,000
BOARD OF WATER AND SOIL RESOURCES	23,800,000
AGRICULTURE	21,700,000
ZOOLOGICAL GARDENS	1,000,000

ADMINISTRATION	81,450,000
AMATEUR SPORTS COMMISSION	1,110,000
ARTS	4,500,000
MILITARY AFFAIRS	3,625,000
VETERANS AFFAIRS	25,000
HUMAN SERVICES	12,471,000
HEALTH	7,135,000
VETERANS HOMES BOARD	11,700,000
PUBLIC SAFETY	2,844,000
CORRECTIONS	18,035,000
TRADE AND ECONOMIC DEVELOPMENT	51,382,000
HOUSING FINANCE AGENCY	2,000,000
MINNESOTA HISTORICAL SOCIETY	5,750,000
BOND SALE EXPENSES	448,000
CANCELLATIONS	(29,913,000)
TOTAL	\$610,357,000
Bond Proceeds Fund (General Fund Debt Service)	470,900,000
Bond Proceeds Fund Cancellations	(20,902,000)
Bond Proceeds Fund (User Financed Debt Service)	71,359,000
General Fund	98,011,000
General Fund Cancellations	(9,011,000)

APPROPRIATIONS
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Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. To the board of regents of the University of Minnesota for the purposes specified in this section	100,213,000
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APPROPRIATIONS

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Subd. 2. Higher Education Asset Preservation and Replacement

9,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 9 is reduced accordingly. Minnesota Statutes, section 16A.642 applies from the date of the original appropriation to the unspent amount transferred.

Subd. 3. Twin Cities - Minneapolis

(a) Molecular and Cellular Biology Building

35,000,000

To complete construction, furnish, and equip a new molecular and cellular biology building on the east bank of the Minneapolis campus. This appropriation is in addition to project funding of \$35,000,000 in Laws 1998, chapter 404, section 2, subdivision 11.

(b) Art Building

18,500,000

To design, construct, furnish, and equip a new art building on the west bank of the Minneapolis campus. This appropriation is contingent on \$23,000,000 of nonstate money for this project. The nonstate money is in lieu of the one-third debt service payments.

Subd. 4. Twin Cities - St. Paul

(a) Microbial and Plant Genomics Building

10,000,000

To design, construct, furnish, and equip a new microbial and plant genomics center on the St. Paul campus. This appropriation is contingent on \$10,000,000 in nonstate matching money for this project. The nonstate money is in lieu of the one-third debt service payments.

(b) Plant Growth Facilities - Phase I

5,963,000

To construct a biocontainment facility in partnership with the Minnesota department of agriculture.

APPROPRIATIONS

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Subd. 5. Crookston Kiehle Building 6,500,000

To design, construct, furnish, and equip an addition for the Technology Center, Learning Resources Center, and support spaces for art, music, and theater, and to renovate existing space.

Subd. 6. Duluth Music Performance Center 6,100,000

To design, construct, furnish, and equip a music performance laboratory, that will include a lobby, auditorium, stage, green room, rehearsal space, media space, and related facilities.

Subd. 7. Morris Science and Math Building Renovation, Phase 2 8,000,000

To renovate, furnish, and equip the existing science building, including converting obsolete labs and classrooms into instructional research space.

Subd. 8. Research and Outreach Centers 1,150,000

To remodel facilities and replace the sewage handling system for the Cloquet Forestry Center; to construct a wean and finish facility for swine research at Waseca.

Subd. 9. Debt Service

(a) The board of regents shall pay one-third of the debt service on state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement, the art building, and the microbial and plant genomics building. After each sale of general obligation bonds, the commissioner of finance shall notify the board of regents of the amounts assessed for each year for the life of the bonds.

(b) The commissioner shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

APPROPRIATIONS

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Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. To the board of trustees of the Minnesota state colleges and universities for the purposes specified in this section 131,021,000

Subd. 2. Higher Education Asset Preservation and Replacement 30,000,000

This appropriation is for the purposes specified in Minnesota Statutes, section 135A.046, including safety and statutory compliance, envelope integrity, mechanical systems, and space restoration. The following must be funded out of this appropriation: replacement or renovation of the boilers at Winona State University; \$3,000,000 for Minnesota State University, Mankato, to make capital repairs to athletic facilities; and the completion of the HVAC project at the Hutchinson campus of Ridgewater College.

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 23 is reduced accordingly. Minnesota Statutes, section 16A.642 applies from the date of the original appropriation to the unspent amount transferred.

Subd. 3. Alexandria Technical College 500,000

To design a new classroom and office building, including an auditorium.

Subd. 4. Anoka-Hennepin Technical College 12,500,000

For roof repairs and replacements, heat, ventilation, and air conditioning improvements, necessary repairs and remodeling, and demolition. Any roof replacement must be for an industry standard roof.

The technical college shall complete an evaluation of programs, program placement, and space needs by June 30, 2000. The technical college shall, as soon as practicable, submit copies of the reports and agreements required by this subdivision to the chairs of the house and senate higher education funding divisions.

The commissioner may not release this appropriation until the following conditions for establishing a middle college on the campus are satisfied:

APPROPRIATIONS

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(1) by June 30, 2000, a completed memorandum of understanding between the board and the Anoka-Hennepin school district on programs to be offered for the secondary technical education program, allocation of space in the current building and the new building to be constructed pursuant to clause (2), and terms for the mutual operation of the campus; and

(2) by June 30, 2000, a completed agreement between Anoka county and the Anoka-Hennepin school district on financing and constructing a new building for a secondary technical education program on the campus for a value of at least \$8,500,000. The school district may enter into a lease/purchase agreement with the county as part of the financing transaction and the board may convey title to land to accomplish such purpose. Minnesota Statutes, sections 94.09 to 94.16, and 103F.535, do not apply to these real estate transactions.

Subd. 5. Bemidji State University

(a) American Indian History Center 2,000,000

To predesign, design, construct, furnish, and equip a museum and center for American Indian history and policy.

(b) Northwest Technical College 5,000,000

(a) To design, construct, furnish, and equip a technology laboratory building.

(b) The remaining money from the appropriation in Laws 1998, chapter 404, section 3, subdivision 5, may be used for predesign and design of the project in paragraph (a), and predesign of phase II.

(c) The board of trustees must not convey the technical college to the school district.

(d) The board of trustees shall advise the chairs of the senate higher education budget division and the house higher education finance committee before initiating predesign of phase II.

Subd. 6. Fond Du Lac Tribal and Community College 4,500,000

To construct and remodel classroom, lab, and recreational space at the college.

This appropriation is contingent on \$3,000,000 of nonstate money for this project. The total project authorization is increased by the total of nonstate money for the project.

APPROPRIATIONS

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Subd. 7. Itasca Community College

3,600,000

To design, construct, furnish, and equip an engineering building. The costs of the portion of the project for student housing may not be paid from this appropriation.

Costs of the student housing may be paid with the proceeds of Minnesota state college and university revenue bonds issued in the same manner and with the same effect as provided in Minnesota Statutes, section 136F.90, for projects at state universities. The revenue bonds may be secured by any revenue of the Minnesota state college and university system. All or part of the costs of the student housing may be paid with contributions from nonstate sources. The costs of the student housing are in addition to this appropriation.

Subd. 8. Minneapolis Community and Technical College

11,700,000

To design, construct, furnish, and equip a new library and information technology center, and remodel the Helland Center.

Subd. 9. Minnesota State University - Mankato, Phase 2

6,907,000

To design, renovate, and construct an addition to, and equip student athletic facilities at, the Pennington Building, Highland Center, Highland North, and the Taylor Center.

Subd. 10. Minnesota West Community and Technical College at Worthington

The board, for Minnesota west community and technical college, may enter into a market-rate lease agreement with the YMCA for not to exceed 20 years, subject to Minnesota Statutes, section 16A.695, for the lease of land on the Worthington campus. Siting and design of the facility must be consistent with the college's master plan and Minnesota state colleges and universities building standards. Minnesota west community and technical college may negotiate for use of the facility for college purposes. The lease may also include the city of Worthington. Before authorizing the project and leasing property under this subdivision, the board must notify the public of the proposed project, disclose the names of the participants in the project, conduct a feasibility study on the project and disclose its results as well as the private and public contributions to the project, including how it is to be financed, and hold a public hearing on the project. The lease must contain a provision that it terminate if the improved property is no longer used for the partial benefit of the students at the Worthington campus.

APPROPRIATIONS

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Subd. 11. Moorhead State University

(a) Expansion and Parking Facilities 3,600,000

This appropriation is from the general fund.

To demolish structures, eliminate blight, and construct parking facilities.

(b) Hagen Hall Science Building 1,600,000

To design an addition and design remodeling of Hagen Hall for sciences.

(c) Campus Security Building

The board of trustees of the Minnesota state colleges and universities may construct a campus security building at Moorhead State University. The board may accept nonstate money to support construction of the building. The board may enter into an agreement with the city of Moorhead whereby the city provides money for the construction of the building in exchange for the lease of space in the building for use by the city police department. Notwithstanding Minnesota Statutes, section 16B.24, or any other law to the contrary, the board may lease space in the building to the city for up to 25 years without obtaining state executive council approval.

(d) Student Services and Residence Hall

The board of trustees of the Minnesota state colleges and universities may lease state property, including state bond financed property, at Moorhead State University to a private developer for the construction of student services, alumni foundation, and student residence hall facilities. Notwithstanding Minnesota Statutes, sections 16A.695, subdivision 2, and 16B.24, or any other law, the board may lease the property for a term of up to one-half the useful life of the property without obtaining state executive council approval. The board shall evaluate financing options available under Minnesota Statutes, sections 136A.25 to 136A.42, and 136F.98.

Subd. 12. Normandale Community College - Phase I

11,400,000

To design, construct, furnish, and equip an addition to the current science building.

APPROPRIATIONS

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<p>Subd. 13. North Hennepin Community College - Phase II</p> <p>To design, renovate, furnish, and equip the old science building and construct a connecting link and an addition to become a new general education building.</p>	<p>11,000,000</p>
<p>Subd. 14. Northland Community College and Technical College - Phase II</p> <p>To remodel and construct an addition to the Developmental Learning Center and campus connector and replacement of the HVAC system.</p>	<p>5,000,000</p>
<p>Subd. 15. Northwest Technical College - Moorhead Campus</p> <p>To design, construct, and renovate the Health Sciences Instructional Center and construct an addition, replace the boiler, and add parking.</p>	<p>1,258,000</p>
<p>Subd. 16. Ridgewater Community and Technical College at Willmar</p> <p>Ridgewater community and technical college may build an addition to kennels for veterinary technology at Willmar campus with existing college money.</p>	
<p>Subd. 17. Rochester Community and Technical College</p> <p>(a) Site Development</p> <p>To complete construction of an internal campus road system; design and construct replacement athletic fields displaced by road improvements; and predesign, design, and partially construct a quadrangle between the main building and the sports center, including underground utilities to already approved buildings, landscaping, and reconfigured entrance.</p> <p>(b) Construct Greenhouse and Classrooms</p> <p>To design and construct a greenhouse, and to renovate associated instructional, office, and maintenance space.</p>	<p>1,400,000</p> <p>4,500,000</p>
<p>Subd. 18. Southwest State University</p> <p>To design the renovation of the library, including realignment of library functions to improve access and improvements to the infrastructure.</p>	<p>800,000</p>

APPROPRIATIONS

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Subd. 19. St. Cloud State University

(a) Lawrence Hall Remodeling 3,864,000

To remodel the lower floors of Lawrence Hall for administrative and instructional space. The cost of remodeling the top floor for student housing must be paid entirely with the proceeds of Minnesota state college and university revenue bonds and is in addition to this appropriation.

(b) The board may do predesign for the renovation of Centennial Hall and design for the renovation of Eastman Hall and Riverview Hall using resources other than this appropriation that may be available to the board.

Subd. 20. St. Cloud Technical College 7,992,000

To design and remodel the A and B wings, construct an addition to the boiler room, and enlarge the HVAC system. Subject to approval by the board of trustees, the college may use up to \$500,000 of this appropriation for land acquisition.

Subd. 21. Winona State University 1,600,000

To design a new science building.

Subd. 22. Land Acquisition 300,000

To acquire the building at the northwest corner of 7th and Maria in St. Paul for Metropolitan State University.

Subd. 23. Debt Service

(a) The board shall pay one-third of the debt service on state bonds sold to finance projects authorized by this section, except for subdivisions 2 and 6. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the board to

APPROPRIATIONS

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the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Sec. 4. PERPICH CENTER FOR ARTS EDUCATION

Subdivision 1. To the commissioner of administration for the purposes specified in this section 877,000

Subd. 2. Delta Dormitory Upgrades 296,000

\$214,000 is for capital improvements to the electrical and mechanical systems in the campus residence hall.

\$82,000 is from the general fund for window treatments and furniture replacement.

Subd. 3. Asset Preservation 500,000

For asset preservation capital improvements on the campus including, but not limited to, design and construction of replacement of windows, removal of precast panels, installation of walls and insulation, and new water piping.

Subd. 4. Air Conditioning Gaia Building 81,000

Purchase, design, and install air conditioning system.

Sec. 5. CHILDREN, FAMILIES, AND LEARNING

Subdivision 1. To the commissioner of children, families, and learning for the purposes specified in this section 80,741,000

Subd. 2. Metropolitan Magnet Schools

For grants in accordance with the metropolitan magnet school grant program under Minnesota Statutes, section 124D.88.

(a) East Metro 16,000,000

For a grant to district No. 6067, Tri-District, to complete construction of the East Metro Middle School. This is in addition to appropriations in Laws 1998, chapter 404, section 5, subdivision 5, and Laws 1999, chapter 240, section 3. Notwithstanding Minnesota Statutes, section 16B.31, subdivision 2, this project may proceed as planned at the \$17,700,000 level, in anticipation of receiving additional funding at a later session of the legislature.

(b) West Metro 500,000

APPROPRIATIONS

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This appropriation is from the general fund.

For a grant to the West Metro Education Program to complete construction of the Fine Arts Interdisciplinary Resource School.

Subd. 3. Monolithic Dome, Grand Meadow 3,000,000

For an alternative facilities design grant to independent school district No. 495, Grand Meadow, to construct a new school using monolithic dome construction techniques. The commissioner shall award the grant to demonstrate that a school constructed using monolithic dome construction techniques can provide operating and construction savings for school districts throughout the state. Grand Meadow school district must agree to provide the state with information and data about this construction method and with an analysis of a monolithic dome as a suitable educational environment.

Subd. 4. Pine Point School 4,100,000

For a grant to independent school district No. 25, Pine Point, to construct a new school facility serving kindergarten through grade 8.

Subd. 5. Maximum Effort Capital Loans 44,030,000

For capital loans to school districts as provided in Minnesota Statutes, sections 126C.60 to 126C.72. Capital loans to the recipient school districts are approved in the following amounts:

(a) Independent School District No. 299, Caledonia	14,134,000
(b) Independent School District No. 306, La Porte	7,200,000
(c) Independent School District No. 38, Red Lake	11,166,000
(d) Independent School District No. 115, Cass Lake	7,505,000
(e) Independent School District No. 914, Ulen-Hitterdahl	4,025,000

The commissioner shall review the proposed plan and budget of the project and may reduce the amount of the loan to ensure that the project will be economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated with the final review and construction by reducing the proceeds of the loan paid by the district. The commissioner shall report to the legislature any reductions to the appropriations in this subdivision by January 10, 2001.

APPROPRIATIONS

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The commissioner must study how the maximum effort loan program should be restructured to allow more school districts to qualify for capital financing under the current debt service equalization aid program without needing to turn to the maximum effort loan program. The commissioner must report to the capital investment and K-12 education finance committees of the house and the education finance committee and the K-12 education budget division of the senate. The department must not accept any applications for the maximum effort loan program until after the end of the 2001 legislative session.

Subd. 6. Early Childhood Learning and Child Protection Facilities	3,000,000
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For grants to construct or rehabilitate facilities for programs under Minnesota Statutes, section 119A.45, as amended in this act.

Subd. 7. Youth Enrichment Grants	5,000,000
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This appropriation is from the general fund.

For grants to local government units to design, furnish, equip, renovate, replace, or construct parks and recreation facilities and school facilities, including soccer fields, to provide youth, with preference for youth in grades 4 to 8, with regular enrichment activities during nonschool hours, including after school, evenings, weekends, and school vacation periods, and that will provide equal access and programming for all children. Provided there are sufficient applications, 50 percent of this appropriation may only be spent in accordance with the recommendations of the Minnesota amateur sports commission. The buildings or facilities may be leased to nonprofit community organizations, subject to Minnesota Statutes, section 16A.695, for the same purposes. Enrichment programs include academic enrichment, homework assistance, computer and technology use, arts and cultural activities, clubs, school-to-work and workforce development, athletic, and recreational activities. Grants must be used to expand the number of children participating in enrichment programs or improve the quality or range of program offerings. The facilities must be fully available for programming sponsored by nonprofit and community groups serving youth, or school, county, or city programs, for maximum hours after school, evenings, weekends, summers, and other school vacation periods. Priority must be given to proposals that demonstrate collaborations among political subdivisions, private, nonprofit, and public agencies, including regional entities dealing with at-risk youth, and community and parent organizations in arranging for programming, staffing, transportation, and equipment. All proposals must include an inventory of existing facilities and an assessment of programming needs in the community. In awarding

APPROPRIATIONS

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these grants, the commissioner shall consider the regional distributions required in Laws 1996, chapter 463, section 4, subdivision 2. Priority must be given to school attendance areas with high concentrations of children eligible for free or reduced school lunch and to government units demonstrating a commitment to collaborative youth efforts.

Subd. 8. Library for the Blind Shelving 600,000

This appropriation is from the general fund.

To purchase and install permanent compact shelving in the basement area.

Subd. 9. Library Access Grants 1,000,000

For library access grants under Minnesota Statutes, section 134.45, to remove architectural barriers from a library building or site.

Subd. 10. Minnesota Planetarium 1,000,000

For a grant to the city of Minneapolis to predesign and design a new Minnesota planetarium located in conjunction with the Minneapolis downtown library.

Subd. 11. Multicultural Development Grants 1,511,000

(a) \$1,011,000 is for a grant to Watonwan county to renovate and expand the Watonwan county-St. James multicultural learning center.

(b) \$500,000 is for a grant to the city of Pelican Rapids to construct a multicultural learning center.

Subd. 12. Glover-Sudduth Center 1,000,000

For a grant to the city of Minneapolis through the Minneapolis Community Development Agency to design and construct the Glover-Sudduth Center for Urban Affairs, Education, and Economic Development. The city may enter into a lease or management agreement for the center, subject to Minnesota Statutes, section 16A.695.

Sec. 6. MINNESOTA STATE ACADEMIES

Subdivision 1. To the commissioner of administration for the purposes specified in this section 3,066,000

APPROPRIATIONS

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Subd. 2. Asset Preservation	1,000,000
<p>For asset preservation capital improvements on both campuses of the Minnesota State Academies including, but not limited to, general asset preservation, electrical infrastructure upgrades, and sewer and water improvements.</p>	
Subd. 3. West Wing Noyes Hall	2,066,000
<p>For mold abatement and renovation of the west wing of Noyes hall, including improvements to the mechanical system, to eliminate air quality problems.</p>	
<p>Sec. 7. NATURAL RESOURCES</p>	
Subdivision 1. To the commissioner of natural resources for the purposes specified in this section	73,177,000
Subd. 2. Statewide Asset Preservation	2,000,000
<p>For asset preservation improvements at the department of natural resources land, buildings, or other improvements of a capital nature throughout the state. The commissioner shall determine project priorities as appropriate based upon need.</p> <p>The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, is available for asset preservation. Minnesota Statutes, section 16A.642 applies from the date of the original appropriation to the unspent amount transferred.</p>	
Subd. 3. Office Facility Development	3,250,000
<p>To design, construct, furnish, and equip a consolidated area office and service facility in Fergus Falls.</p>	
Subd. 4. ADA Compliance	2,000,000
<p>For improvements of a capital nature to remove barriers and make department of natural resources buildings, programs, and services accessible to individuals with disabilities, in compliance with state and federal ADA guidelines.</p>	
Subd. 5. State Park and Recreation Area Building Rehabilitation	1,900,000
<p>To design, repair, rehabilitate, construct, or add to state park buildings throughout the state, according to the management plan required in Minnesota Statutes, chapter 86A. The commissioner shall determine project priorities as appropriate based upon need.</p>	

APPROPRIATIONS

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Subd. 6. Moose Lake Geologic Interpretive Center	1,000,000
To construct a state geologic interpretive center at Moose Lake state park that features geological artifacts indigenous to Minnesota. The money is to be used for the interpretive center building and exhibits, and necessary road, parking, and sewer work.	
Subd. 7. State Park and Recreation Area Betterment and Rehabilitation	1,500,000
To upgrade, repair, or rehabilitate improvements of a capital nature at state park and recreation area facilities throughout the state, including, but not limited to, resource management projects, trail rehabilitation, campground rehabilitation, and road and bridge repair. This appropriation is to rehabilitate the swimming pool at Buffalo River state park and for other project priorities as appropriate based upon need as determined by the commissioner.	
Subd. 8. State Park and Recreation Area Acquisition	500,000
For acquisition from willing sellers of private lands within state park and recreation area boundaries established by law. The commissioner shall determine project priorities as appropriate based upon need.	
Subd. 9. Big Bog State Recreation Area	2,017,000
For development of the Big Bog state recreation area, including interpretive display development, interpretive wayside development, bog trail development, campground upgrades and enhancements, and road and snowmobile trail upgrades.	
Subd. 10. Red River State Recreation Area	1,000,000
To develop the Red river state recreation area, including the construction of a campground. The area must be developed in a manner that provides a satisfactory, multiple use solution to the existing state park and recreation area deficiency in the area surrounding the city of East Grand Forks. The commissioner shall seek advice and cooperation from the appropriate local units of government and the appropriate state and national agencies, including, but not limited to, the United States Fish and Wildlife Service.	
Subd. 11. Regional Parks: Greater Minnesota	500,000
For grants to public regional parks organizations located outside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, to acquire land, design, and construct and	

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redevelop regional parks and trails, open space, and recreational facilities. The improvements must be of a capital nature. Each \$3 of state grants must be matched by \$2 of nonstate funds.

Subd. 12. Metro Regional Park Acquisition and Betterment 5,600,000

This appropriation is for a grant to the metropolitan council. The commissioner shall pay the amount on a reimbursement basis to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of rehabilitation, acquisition, and development by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.315. \$600,000 of this appropriation is for erosion control in Simon's Ravine at Kaposia Park. This appropriation must not be used for research, planning, administration, or tax equivalency payments. This appropriation may be used for the purchase of homes only if the purchases are included in the work program required by law and they are expressly approved by the legislative commission on Minnesota resources.

Subd. 13. Como Park Education Resource Center 16,000,000

For a grant to the metropolitan council to complete construction of education, administration, meeting, and visitor reception facilities at the Como Park Education Resource Center.

As long as state bonds issued for the Como Park campus are outstanding, admission to the zoo must be free.

Subd. 14. Forest Road and Bridge Projects and Forestry Recreation Facilities 1,000,000

For reconstruction, resurfacing, replacement, or construction of other improvements of a capital nature to state forest roads and bridges and forest recreation facilities throughout the state. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 15. State Trail Acquisition and Development 3,400,000

To acquire and develop state trails as specified in Minnesota Statutes, section 85.015.

\$1,400,000 is to develop the Paul Bunyan trail between Hackensack and Walker.

\$750,000 is to develop the Blazing Star trail in Freeborn county.

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\$400,000 is to acquire and develop the Gitchi-Gami trail in Lake and Cook counties.

\$350,000 is to acquire and develop the Mill Towns Trail through and between the cities of Northfield and Faribault.

\$500,000 is to acquire and develop the Shooting Star trail between Taopi and Lake Louise state park.

Subd. 16. Regional Trail Grants 500,000

For matching grants to be provided to local units of government under Minnesota Statutes, section 85.019, subdivision 4b, as amended in this act, to acquire and develop new, publicly owned trails of regional significance. Of this amount, \$250,000 is to the city of Fairfax to connect the Fair Ridge trail from Fort Ridgely state park to the city of Fairfax; and \$50,000 is to Rock county to connect the Blue Mounds state park to the city of Luverne. The commissioner shall determine project priorities as appropriate based on need.

Subd. 17. St. Paul - Upper Landing Park 3,000,000

For a grant to the city of St. Paul to match a federal authorization for developing the Upper Landing Park.

Subd. 18. Metro Greenways and Natural Areas 1,500,000

To provide grants to local units of government for acquisition or betterment of greenways and natural areas in the metro region and to acquire greenways and natural areas in the metro region through the purchase of conservation easements or fee titles. The commissioner shall determine the project priorities and shall consult with representatives of local units of government, nonprofit organizations, and other interested parties.

Subd. 19. Lake Minnetonka Public Access 4,000,000

To acquire and develop a public access site on the southwest side of Gray's Bay on Lake Minnetonka.

Subd. 20. Lake Superior Public Access - McQuade Road 2,000,000

To design and develop a public access at McQuade Road on Lake Superior in cooperation with the joint powers board made up of the city of Duluth, St. Louis county, the town of Duluth, and the town of Lakewood.

This appropriation is not available until the commissioner has determined that at least \$2,000,000 has been committed from federal sources.

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Subd. 21. Harbor of Refuge at Two Harbors 1,000,000

To develop the harbor of refuge and marina at Two Harbors, including public access improvements, marina slips, parking facilities, utilities, a fuel dock, and an administration building.

This appropriation is not available until the commissioner has determined that at least \$500,000 has been committed from federal sources.

Subd. 22. Dam Repair, Reconstruction, and Removal 1,200,000

For emergency repair or for reconstruction or removal of publicly owned dams. The commissioner shall determine project priorities as appropriate based upon need as provided in Minnesota Statutes, section 103G.511. Projects include but need not be limited to dam removals at Mazeppa and Cannon Falls and dam repairs at Lake Bronson.

\$246,000 of this appropriation is from the general fund to include but not be limited to engineering work for the removal of the Drayton dam and removal of the Straight River dam in Faribault and the Old Mill State Park dam. Up to \$60,000 of the general fund appropriation may be used to reimburse the city of Mazeppa for engineering costs incurred before March 1, 2000, on the Mazeppa Dam removal project.

Subd. 23. Flood Hazard Mitigation Grants 14,000,000

For the flood hazard mitigation grant program to local government units for publicly owned capital improvements to prevent or alleviate flood damages under Minnesota Statutes, section 103F.161. The commissioner shall determine project priorities as appropriate based upon need.

Funding for the Red River basin mediation agreement that is in addition to the governor's recommendation, and funding to mitigate past flood damage and prevent future flooding at Lake of the Isles in Minneapolis, must be reduced by 25 percent from the level those projects would have received with a total appropriation of \$16,000,000.

Subd. 24. Ring Dikes 300,000

This appropriation is from the general fund and is for the construction of ring dikes under Minnesota Statutes, section 103F.161. The ring dikes may be publicly or privately owned.

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Subd. 25. Lewis and Clark Rural Water System	610,000
For a grant to the Lewis and Clark joint powers board to provide 50 percent of the nonfederal share of funding the construction of a rural water system to serve southwestern Minnesota. This appropriation is available to the extent matched by \$8 of federal money and \$1 of local money for each \$1 of state money.	
Subd. 26. Scientific and Natural Area Acquisition and Improvement	500,000
To acquire land for scientific and natural areas and for development, protection, or improvements of a capital nature to scientific and natural areas throughout the state. The commissioner shall determine project priorities as appropriate based upon need.	
Subd. 27. RIM Critical Habitat Match	750,000
To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943, for the acquisition or improvements of a capital nature to critical fish, wildlife, and native plant habitats. The commissioner shall determine project priorities as appropriate based upon need.	
Subd. 28. RIM Wildlife Development and Habitat Improvements	1,000,000
For improvements of a capital nature to develop, protect, or improve habitat on wildlife management areas and other state lands and waters throughout the state. The commissioner shall determine project priorities as appropriate based upon need.	
Subd. 29. Native Prairie Bank Easements	1,000,000
For acquisition of prairie bank easements under Minnesota Statutes, section 84.96.	
Subd. 30. Taylors Falls - St. Croix Valley Heritage Center	150,000
This appropriation is from the general fund.	
For a grant to the St. Croix Valley Heritage Coalition, Inc. to assist it in developing plans for creation of the St. Croix Valley Heritage Center at Taylors Falls.	
Subd. 31. Work Program	
The commissioner must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources and request its	

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recommendation before spending any money appropriated by subdivisions 5 to 13, 15 to 21, and 26 to 29. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a positive recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 8. OFFICE OF ENVIRONMENTAL ASSISTANCE 2,200,000

To the office of environmental assistance for the solid waste capital assistance grants program under Minnesota Statutes, section 115A.54. Grants under this section are exempt from the requirements of Minnesota Statutes, section 16B.335.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. To the board of water and soil resources for the purposes specified in this section 23,800,000

Subd. 2. RIM and PWP Conservation Easements 1,000,000

This appropriation is for the following purposes:

(1) to acquire conservation easements from landowners on marginal lands to protect soil and water quality and to support fish and wildlife habitat as provided in Minnesota Statutes, section 103F.515; and

(2) to acquire perpetual conservation easements on existing type 1, 2, 3, and 6 wetlands and adjacent lands, and for the establishment of permanent cover on adjacent lands, in accordance with Minnesota Statutes, section 103F.516.

Subd. 3. Minnesota River Basin Conservation Reserve Enhancement Program 20,000,000

To acquire easements and implement conservation practices on frequently flooded cropland, including land within the 100-year floodplain and the major tributaries; on marginal cropland along rivers and streams; and on drained or altered wetlands in the Minnesota river basin to protect soil, enhance water quality, and support fish and wildlife habitat as provided in Minnesota Statutes, sections 103F.515 and 103F.516.

Subd. 4. Implementation 500,000

This appropriation is from the general fund.

For administrative expenses to implement subdivisions 2 and 3.

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Subd. 5. Wetland Replacement Due to Public Road Projects

2,300,000

To acquire land for wetlands or restore wetlands to be used to replace wetlands drained or filled as a result of the repair, maintenance, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraph (m).

The purchase price paid for acquisition of land, fee, or perpetual easement, must be the amount deemed reasonable by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits with money provided by this appropriation. Acquisition of or the conveyance of land may be in the name of the political subdivision.

By October 15, 2000, the board of water and soil resources shall make a recommendation to the governor and the legislature on the inclusion of wetland replacement under Minnesota Statutes, section 103G.222, subdivision 1, paragraph (m), as a biennial budget item.

Subd. 6. Work Program

The board must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources and request its recommendation before spending any money appropriated by this section. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a positive recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 10. AGRICULTURE

Subdivision 1. To the commissioner of agriculture, or another named agency for the purposes specified in this section

21,700,000

Subd. 2. Rural Finance Authority Loan Participation

20,000,000

To the rural finance authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039, the loan restructuring program under Minnesota Statutes, section 41B.04, the seller-sponsored program under Minnesota Statutes, section 41B.042, the agricultural improvement loan program under Minnesota Statutes, section 41B.043, and the livestock

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expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the rural finance authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses.

Loans for capital projects from this appropriation are exempt from Minnesota Statutes, section 16B.335. Priority for loans must be given first to basic beginning farmer loans; second, to seller-sponsored loans; and third, to agricultural improvement loans.

Subd. 3. Agriculture Best Management Practices Loans 1,000,000

This appropriation is from the general fund.

For the agricultural best management practices loan program under Minnesota Statutes, section 17.117. In addition to the water quality best management practices eligible for funding under Minnesota Statutes, section 17.117, odor and other air quality best management practices for agricultural livestock facilities are also eligible for funding under this appropriation.

Subd. 4. Agroforestry Loan Program 200,000

This appropriation is from the general fund to the agroforestry revolving loan fund created in new Minnesota Statutes, section 41B.048.

Notwithstanding section 41B.048, subdivision 5, clause (3), a recipient of a loan from this appropriation need not be a member of a producer-owned cooperative that will contract to market the agroforestry crop, but at least 50 percent of this appropriation must be used for loans to recipients who are members.

Subd. 5. Minnesota Center for Agricultural Innovation 500,000

For a grant to the city of Olivia to establish the Minnesota center for agricultural innovation to promote agricultural innovation by providing a place for experts to gather and study agricultural technology.

The appropriation is not available until the commissioner determines that \$500,000 has been committed to the project from nonstate sources.

Sec. 11. MINNESOTA ZOOLOGICAL GARDENS 1,000,000

Heating and Cooling System

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For design, repair, and upgrades to the heating and cooling systems at the Minnesota Zoo.

Sec. 12. ADMINISTRATION

Subdivision 1. To the commissioner of administration for the purposes specified in this section 81,450,000

Subd. 2. Capital Asset Preservation and Replacement (CAPRA) 10,000,000

To be spent in accordance with Minnesota Statutes, section 16A.632.

Subd. 3. Asset Preservation 3,000,000

This appropriation is from the general fund.

For structural and infrastructure repairs of a capital nature to correct high-priority deferred maintenance needs of state facilities under the custodial control of the department of administration. The commissioner of administration shall determine project priorities as appropriate based on need.

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, is available for asset preservation. Minnesota Statutes, section 16A.642 applies from the date of the original appropriation to the unspent amount transferred.

Subd. 4. Electrical Utility Infrastructure, Phase 4 2,500,000

To upgrade the primary electrical distribution system in the capitol complex.

Subd. 5. Capitol Security Renovation 1,000,000

To renovate space in the capitol for the department of public safety's capitol security division and for the related environmental management operation of the department of administration's plant management division.

Subd. 6. Bureau of Criminal Apprehension Headquarters 58,000,000

This appropriation is from the general fund.

To the commissioner of administration to construct, furnish, and equip a new building for the bureau of criminal apprehension, including offices and forensic laboratories, in St. Paul.

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Subd. 7. World War II Veterans Memorial 150,000

This appropriation is from the general fund.

For design, architectural drawings, and the start of construction for a World War II veterans memorial on the state capitol mall. The design is subject to approval by the capitol area architectural and planning board. The commissioner of veterans affairs shall convene an advisory group, including members of veterans organizations to review and make recommendations about the design of the memorial. The appropriation must be matched by an equal amount from nonstate sources.

Subd. 8. 717 Delaware Street Health Building 4,000,000

To renovate the 717 Delaware Street building of the department of health on the campus of the University of Minnesota.

Subd. 9. Predesign for Health and Human Services and Related Facilities 1,000,000

This appropriation is from the general fund.

To predesign new facilities to house the principal administrative offices of the departments of health and human services. The predesign must consider collocating the two departments and providing laboratory facilities shared with the department of agriculture. The predesign must recommend a site for each of the facilities.

Subd. 10. Capitol Building Predesign 300,000

To predesign the phased restoration of remaining areas in the capitol building.

The commissioner of administration shall appoint a restoration advisory committee, which must include any members or employees of the senate named by the chair of the committee on rules and administration, to advise the commissioner on the expenditure of this appropriation.

Subd. 11. Agency Relocation 500,000

This appropriation is from the general fund.

For relocation of state agencies as determined by the commissioner of administration.

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Subd. 12. Property Acquisition 1,000,000

This appropriation is from the general fund for due diligence expenses, acquisition of land, and to purchase options in order to hold properties that meet state development needs. This appropriation may also be used to demolish buildings located on any lands acquired and to develop temporary parking.

Sec. 13. AMATEUR SPORTS COMMISSION

Subdivision 1. To the amateur sports commission for the purposes specified in this section 1,110,000

Subd. 2. Mighty Ducks Ice Arena Grants 810,000

For ice arena grants under Minnesota Statutes, section 240A.09.

Subd. 3. National Sports Conference Center 300,000

To predesign a sports conference center on the campus of the National Sports Center and for related capital development costs.

Sec. 14. ARTS

Subdivision 1. To the commissioner of administration for the purposes specified in this section 4,500,000

Subd. 2. Lanesboro - Root River Center for the Arts 1,000,000

For a grant to the city of Lanesboro to acquire land for, design, and construct a theater and arts center for lease to the Commonwealth Theatre Company and Cornucopia Arts Center. This appropriation is not available until the commissioner has determined that an equal amount has been committed from nonstate sources. The city may enter into a lease or management agreement for the facility, subject to Minnesota Statutes, section 16A.695.

Subd. 3. Minneapolis - Guthrie Theater 3,000,000

This appropriation is from the general fund.

For a grant to the Minneapolis community development agency to acquire and prepare a site for and to design, construct, furnish, and equip a new Guthrie Theater in the city of Minneapolis. This appropriation is not available until the commissioner has determined that an equal amount has been committed from nonstate sources. The Minneapolis community development agency may enter into a lease or management agreement for the theater.

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Subd. 4. St. Paul - Children's Museum Rooftop Perspectives 500,000

For a grant to the city of St. Paul for new permanent exhibits at the Minnesota Children's Museum. This appropriation is not available until the commissioner has determined that an equal amount has been committed from nonstate sources. The project is subject to the use agreement requirement of Minnesota Statutes, section 16A.695, and Laws 1994, chapter 643, section 81.

Sec. 15. MILITARY AFFAIRS

Subdivision 1. To the adjutant general for the purposes specified in this section 3,625,000

Subd. 2. Kitchen Renovation 1,000,000

To renovate kitchen facilities at National Guard training and community centers in Sauk Centre, Alexandria, Morris, Ortonville, Fairmont, Mankato, Madison, Wadena, Olivia, and Winona. This appropriation is exempt from the requirements of Minnesota Statutes, section 16B.335.

Subd. 3. Asset Preservation 1,500,000

For asset preservation improvements of a capital nature at military affairs facilities statewide.

Subd. 4. Minnesota Military Museum at Camp Ripley 125,000

To upgrade the electrical and lighting, and heating, ventilation, and air conditioning systems in the main building of the Minnesota military museum, to design and construct an addition to the museum, and to insulate a heating system in building I-40. The adjutant general may enter into a lease or management agreement for the museum, subject to Minnesota Statutes, section 16A.695.

Subd. 5. Law Enforcement Training Center

The adjutant general may designate a site within Camp Ripley to establish a live fire tactical operations law enforcement training center and may use existing resources to design and prepare a site for the facility.

Subd. 6. Tactical Live-Fire Village 1,000,000

To construct a live-fire tactical operations law enforcement training facility at Camp Ripley. The facility must be available for civilian law enforcement training on a fee-for-use basis. The commissioner of public safety shall establish the terms and

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conditions of civilian use of the facility after consultation with the civilian advisory committee on Camp Ripley facilities and use, and other Minnesota law enforcement officials and organizations.

Sec. 16. VETERANS AFFAIRS 25,000

This appropriation is from the general fund.

For a grant to Women in Military Service for America Memorial Foundation, Inc., for the women's memorial at Arlington National Cemetery as a reminder to the public about the contributions of women in the military throughout the history of the United States. This appropriation is available until June 30, 2001.

Sec. 17. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for the purposes specified in this section 12,471,000

Subd. 2. Systemwide Roof Repairs and Replacement 1,971,000

For capital repair and replacement of roofs at department of human services facilities statewide.

Subd. 3. Systemwide Asset Preservation 3,000,000

For asset preservation improvements of a capital nature at state regional treatment centers.

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, is available for asset preservation. Minnesota Statutes, section 16A.642 applies from the date of the original appropriation to the unspent amount transferred.

Subd. 4. Upgrade Pexton Hall, St. Peter 7,200,000

To design, remodel, furnish, and equip 100 licensed beds in the residential and program areas in Pexton hall to securely house individuals committed as sexual psychopathic personalities and sexually dangerous persons; to construct an addition to house a control center, visitation space, and program administration; and to install fencing and security systems.

Subd. 5. Mash-Ka-Wisen Treatment Center Youth Alcohol Treatment Wing 300,000

This appropriation is from the general fund.

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For a grant to the board of directors of the Minnesota Indian Primary Residential Treatment Center, Inc., to build a youth alcohol treatment wing at the Mash-Ka-Wisen treatment center. The appropriation is not available until the commissioner of finance has determined that the appropriation has been matched by a \$1,000,000 federal grant.

Sec. 18. HEALTH 7,135,000

Subdivision 1. Gillette Children's Hospital 7,000,000

To the commissioner of administration for a grant to Ramsey county to design, construct, furnish, and equip the renovation of and an addition to the Gillette Children's Hospital, which until 1974 was a state institution housed in a state building that served the medical needs of crippled children. This appropriation is not available until the commissioner of finance has determined that at least \$7,000,000 has been committed by nonstate sources. Amounts spent since January 1, 1998, by Gillette Children's Specialty Health Care to plan, design, and construct this project may be counted as part of the local match.

Subd. 2. Organ Donor Vehicle 135,000

To the commissioner of health for a grant to a Minnesota organ procurement organization that is certified by the federal Health Care Financing Administration or to an entity that is a charitable entity under section 501(c)(3) of the Internal Revenue Code of 1986 and is created by an organ procurement organization that is certified by the federal Health Care Financing Administration. The grant must be used for a mobile learning center to provide interactive education about organ, tissue, and eye donation to citizens across the state.

This appropriation is from the general fund.

Sec. 19. VETERANS HOMES BOARD

Subdivision 1. To the commissioner of administration for the purposes specified in this section 11,700,000

Subd. 2. Hastings Veterans Home, Phase 2 7,000,000

For design, repair, and renovation of the utility infrastructure systems and related improvements at the campus of the Hastings veterans home.

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Subd. 3. Minneapolis Veterans Home 1,700,000

For infrastructure improvements of a capital nature at the campus of the Minneapolis veterans home, including, but not limited to, replacement of water lines, roofs, and building exteriors, and installation of freight elevators, nursing stations, and security systems.

Subd. 4. Asset Preservation 3,000,000

For asset preservation and infrastructure repairs of a capital nature at veterans homes statewide.

Sec. 20. PUBLIC SAFETY

Subdivision 1. To the commissioner of public safety for the purposes specified in this section 2,844,000

Subd. 2. Regional Public Safety Training Facility Construction Grants 2,000,000

To the commissioner of public safety for grants to state departments or local units of government to predesign, design, construct, expand, or improve public safety training facilities.

The commissioner shall make no less than two grants from this appropriation. One-half of this appropriation must be for a grant or grants in the metropolitan area and one-half must be for a grant or grants in the nonmetropolitan area.

The commissioner may have the members of the public safety training facilities task force established under Laws 1998, chapter 404, section 21, subdivision 3, and employees of the department of administration review proposals.

To be eligible for a grant, a public safety training facility proposal must:

(1) include a plan to meet the state, federal, and local training requirements for agencies in or near the region, either at one new or existing facility or at a number of sites within the region;

(2) at a minimum, address law enforcement and fire training needs; however, other training needs such as emergency medical services, community education, and private sector safety training should also be considered;

(3) clearly define multijurisdictional commitments to the proposal;

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(4) identify regional funding sources that must provide at least 75 percent of the construction costs and, unless a state agency is an ongoing partner in the facility's use and operation, 100 percent of the operating costs;

(5) identify the anticipated service area and trainee population;

(6) include plans for mobile training as needed; and

(7) identify any specialized training that will be offered exclusively in the region.

If a state agency is an ongoing partner in the facility's use and operation, a state source for operating money must also be identified. The commissioner shall consider the training needs and the state of planning and preparations in a region when awarding grants under this subdivision.

Subd. 3. National Weather Service Transmitters

844,000

To buy National Weather Service transmitters for up to 13 sites throughout the state, and for generator upgrades at MNDOT sites to provide full coverage for weather emergencies and to pay for necessary engineering fees (1) to determine the most appropriate locations for the transmitters, antennas, and related equipment, (2) to determine the viability of the towers to accommodate the additional equipment, and (3) to identify and implement alternative sites, if necessary. Operational maintenance of the transmitters will be the responsibility of the National Weather Service as defined by a written agreement between the Minnesota department of administration and the United States Department of Commerce.

This appropriation is from the general fund.

Sec. 21. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes specified in this section

18,035,000

Subd. 2. Sewer Repair, MCF-Faribault

7,500,000

To complete design and to repair and replace sanitary and storm sewers.

Subd. 3. Inmate Bed Expansion, MCF-Oak Park Heights

855,000

To design, construct, furnish, and equip a high security administrative control unit of up to 60 beds to house high-risk, violent, and dangerous inmates and to replace a computerized building operating system at the facility. It is anticipated that this appropriation will match up to \$13,124,000 in federal funding.

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Subd. 4. H-Building Remodeling, Phase 3, MCF-Lino Lakes 3,400,000

The commissioner must execute an agreement with Anoka county for the county to pay 100 percent of the cost of meals provided to Anoka county jail inmates by the Lino Lakes facility.

To remodel and reorganize the food service building at MCF-Lino Lakes.

Subd. 5. Mental Health Support and Living Unit, MCF-Red Wing 800,000

To design, renovate, furnish, and equip Brown cottage into a mental health support area and provide up to 14 beds for an inpatient treatment ward. This appropriation may also be used for security improvements of a capital nature at the Dayton security detention cottage.

Subd. 6. Stillwater, Perimeter Wall Repair 1,000,000

To design and make capital repairs to the interior surface of the perimeter wall.

This appropriation must not be used to construct or repair the catwalks on the current wall, or to construct or repair new or current guard towers.

Subd. 7. Health Services Conversion, MCF-Stillwater 1,800,000

To design, renovate, furnish, and equip the vacant laundry area into a health services unit within the security perimeter of the main building.

Subd. 8. Bayport Storm Sewer 2,680,000

For a grant to the city of Bayport for the Middle St. Croix River Watershed Management organization for the construction of stage 1 of the sewer system extending from Minnesota department of natural resources pond 82-310P (the prison pond) in Bayport through the Stillwater prison grounds to the St. Croix river. Funds remaining from prior appropriations may be used for construction.

Subd. 9. Asset Preservation

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, is available for asset preservation. Minnesota Statutes, section 16A.642 applies from the date of the original appropriation to the unspent amount transferred.

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Subd. 10. Per Diem Money for Capital Improvements

If the commissioner of corrections contracts with other states, local units of government, or the federal government to rent beds in the Rush City correctional facility under Minnesota Statutes, section 243.51, subdivision 1, to the extent possible, the commissioner shall charge a per diem under the contract that is equal to or greater than the per diem cost of housing Minnesota inmates in the facility. This per diem cost shall be based on the assumption that the facility is at or near capacity. Notwithstanding any laws to the contrary, the commissioner may use the per diem monies for capital improvements recommended by the governor.

Sec. 22. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of trade and economic development or other named agency for the purposes specified in this section

51,382,000

Subd. 2. State Match for Federal Grants

12,893,000

To the public facilities authority:

(a) To match federal grants to the water pollution control revolving fund under Minnesota Statutes, section 446A.07, for eligible projects in the following locations and other locations as determined by the authority: Jordan, La Porte, Butterfield, St. Paul South Highwood, Hibbing, Spring Lake township, Red Wing, Rollingstone, Dassel, Cannon Falls, St. Michael, Northfield, St. Paul I/I Phase II and III, metropolitan council environmental services, Warroad, Audubon, Brooten, Clarissa, Currie, Dover-Eyota-St. Charles, Eagle Bend, Fischer, Granite Falls, Hendricks, Hoffman, Magnolia, Red Wing, West Concord, Zumbrota, Avon, Biwabik, Chatfield, Claremont, Cold Spring, Coleraine/Bovey/Taconite, Elmore, New Germany, Ostrander, Rogers, and Waldorf.

(b) To match federal grants to the drinking water revolving fund under Minnesota Statutes, section 446A.081, for eligible projects in the following locations and other locations as determined by the authority: Green Lake SSWD, McGregor, Zumbro Falls, Shakopee, Aitkin, Eden Valley/Watkins, Long Prairie, Finlayson, Coleraine, Ottertail, Rock county rural water district, Rochester, Brooten, Howard Lake, Watertown, Osseo, Victoria, Lansing Township, Dayton, Henning, Pine River, Staples, Hoffman, Ely, Eden Valley, Glenwood, Winnebago, Montevideo, Clearwater, Tracy, Echo, New Richland, Underwood, Hibbing, Kenyon, Brownton, Wanamingo, Waite Park, Dover, Mayer, New Trier, Onamia, Hinckley, Lyle, Richmond, and Cokato.

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(c) The expenditure and allocation of state matching money between funds described in paragraphs (a) and (b) must be based on the amount of federal money appropriated to the funds. This appropriation must be used for qualified capital projects.

Subd. 3. Wastewater Infrastructure Funding Program

18,319,000

\$10,409,000 of this appropriation is from the general fund of which \$319,000 is to administer the wastewater infrastructure fund program.

To the public facilities authority for grants to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest extent practical, the authority should use the grants for projects on the 2000 intended use plan in priority order to qualified applicants that submit plans and specifications to the pollution control agency or receive a funding commitment from USDA rural development before December 1, 2001. In determining whether the penalty factor under Minnesota Rules, part 7077.0196, should be applied to a project, the pollution control agency shall, beginning with the 2001 Intended Use Plan and Project Priority list, first assess the impact of the new or expanded discharge compared to the impact of the preexisting conditions and to the impact of alternative discharge locations. If the agency determines that the new or expanded discharge is to a less environmentally sensitive area or that it is the preferable location for the discharge compared to the alternatives, the agency shall not apply the penalty factor to the project. The pollution control agency shall include as a factor in prioritizing projects whether a project is a multijurisdictional project connecting areas with failing onsite treatment systems with an existing or regional wastewater treatment system.

The authority shall set aside up to \$400,000 for the Innovative Technology Grants Program to provide 50 percent reimbursement for the cost of equipment and installation into an existing municipal wastewater treatment system. The project must be approved by the pollution control agency and demonstrate the application of existing technology that has not been used before in the treatment of municipal wastewater, but has the potential to improve the treatment of wastewater or make the treatment process more cost effective.

Beginning with the 2001 intended use plan, the pollution control agency shall include whether a community has a moratorium on development as a factor in prioritizing projects. The agency shall adopt rules implementing the provisions of this paragraph under Minnesota Statutes, section 14.389.

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Subd. 4. Clean Water Partnership	2,000,000
For deposit in the water pollution control fund under Minnesota Statutes, section 446A.07, for the clean water partnership loan program under Minnesota Statutes, section 103F.725.	
Subd. 5. Redevelopment Account	6,000,000
This appropriation is from the general fund.	
For transfer to the redevelopment accounts created in Minnesota Statutes, section 116J.561.	
Subd. 6. Hennepin County - Empowerment Zone Projects	3,000,000
For a grant to Hennepin county to acquire and renovate a public service center as part of the Great Lake Center empowerment zone project.	
Subd. 7. Landfall HRA Retaining Walls	100,000
For a grant to the city of Landfall Housing and Redevelopment Authority to repair or replace deteriorating retaining walls.	
Subd. 8. Kanabec County - Mora Workforce Center Elevator	100,000
For a grant to Kanabec county to install an elevator in the county building in Mora to bring the building into compliance with the Americans with Disabilities Act.	
Subd. 9. Koochiching County - Cold Weather Testing Center	2,700,000
For a grant to Koochiching county to design, construct, furnish, and equip the Minnesota Cold Weather Testing Center.	
This appropriation is not available until the commissioner has determined that the necessary additional financing to complete the project with a total cost of at least \$5,400,000, has been committed from nonstate sources.	
The county may enter into a lease or management agreement for the center, subject to Minnesota Statutes, section 16A.695.	
Subd. 10. Minneapolis - Empowerment Zone Projects	5,800,000
For a grant to the city of Minneapolis for public infrastructure improvements in the following empowerment zone projects: the Job Creation Area SEMI-Project and the Near Northside Redevelopment Project. The city of Minneapolis must consult and	

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cooperate with other cities that have neighborhoods affected by these projects including, without limitation, on issues related to noise mitigation and traffic flow.

This appropriation is not available until the commissioner has determined that an equal amount has been committed from nonstate sources.

Subd. 11. Farmamerica 470,000

This appropriation is from the general fund.

For a grant for accessibility and security improvements at Farmamerica - Minnesota's Agricultural Interpretive Center in Waseca, Minnesota.

Sec. 23. HOUSING FINANCE AGENCY 2,000,000

This appropriation is from the general fund.

To the commissioner of the housing finance agency for transfer to the housing development fund to make loans for transitional housing under Minnesota Statutes, section 462A.202, subdivision 2.

Sec. 24. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. To the Minnesota Historical Society for the purposes specified in this section 5,750,000

Subd. 2. Historic Site Preservation and Repair 1,750,000

For capital repair, reconstruction, or replacement of deferred maintenance needs at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments. Of this amount \$200,000 is for the asset preservation for Le Duc Mansion. The society shall determine project priorities as appropriate based on need.

Subd. 3. St. Anthony Falls Heritage Center 3,000,000

To construct, furnish, and equip the St. Anthony Falls Heritage Center.

This appropriation is added to the appropriation in Laws 1998, chapter 404, section 25, subdivision 7, and is not available until the commissioner of finance has determined that the necessary additional financing to complete a project with a total cost of at least \$24,000,000, has been committed from nonstate sources.

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Subd. 4. North West Company Fur Post Interpretive Center Exhibits 500,000

To construct permanent exhibits at the North West Company Fur Post Interpretive Center. This appropriation is added to the appropriation in Laws 1998, chapter 404, section 25, subdivision 5.

The hall housing the exhibits is named the "Senator Janet B. Johnson Exhibit Hall" and an appropriate plaque so designating must be prominently located in the hall.

Subd. 5. County and Local Preservation Grants 500,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature. Grant recipients must be public entities and must match state funds on at least an equal basis. The facilities must be publicly owned.

Sec. 25. BOND SALE EXPENSES 448,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8. This appropriation is from the bond proceeds fund.

Sec. 26. [BOND SALE AUTHORIZATION.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$426,870,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$44,030,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Sec. 27. [CANCELLATIONS AND TRANSFERS.]

(a) The \$734,000 appropriation in Laws 1994, chapter 643, section 18, for the design of the labor interpretive center is canceled. The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, is reduced by \$734,000.

(b) The \$1,100,000 appropriation in Laws 1994, chapter 643, section 19, subdivision 9, as amended by Laws 1995, chapter 224, section 124, and Laws 1997, chapter 183, article 3, section 30, for the American Indian history center at Bemidji state university is canceled. The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, is reduced by \$1,100,000.

(c) \$130,000 of the appropriation in Laws 1994, chapter 643, section 23, for dam improvements is canceled. The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, is reduced by \$130,000.

(d) \$383,000 of the appropriation in Laws 1996, chapter 463, section 13, subdivision 9, for a support services facility near the corner of Mississippi Street and University Avenue is canceled. The bond sale authorization in Laws 1996, chapter 643, section 27, subdivision 1, is reduced by \$383,000.

(e) The unobligated balance of the appropriation in Laws 1996, chapter 463, section 15, subdivision 4, for an armory facility and ramp near the corner of Rice Street and University Avenue, estimated to be \$197,000, is canceled to the general fund.

(f) \$1,355,000 of the appropriation in Laws 1996, chapter 463, section 16, subdivision 5, for the Brainerd bed expansion project is canceled. The bond sale authorization in Laws 1996, chapter 463, section 27, subdivision 1, is reduced by \$1,355,000.

(g) The \$500,000 appropriation in Laws 1996, chapter 463, section 22, subdivision 7, for the Battle Point historic site is canceled. The bond sale authorization in Laws 1996, chapter 463, section 27, subdivision 1, is reduced by \$500,000.

(h) \$10,000,000 of the appropriation in Laws 1997, Second Special Session chapter 2, section 2, for public safety disaster assistance funds is canceled. The bond sale authorization in Laws 1997, Second Special Session chapter 2, section 12, is reduced by \$10,000,000.

(i) \$5,800,000 of the appropriation in Laws 1998, chapter 404, section 13, subdivision 5, for the Minnesota labor interpretive center is canceled to the general fund.

(j) \$1,893,000 of the appropriation in Laws 1998, chapter 404, section 5, subdivision 5, for the Southwest Metropolitan Integration Magnet School in Edina is canceled to the general fund.

(k) The \$800,000 appropriation in Laws 1998, chapter 404, section 15, subdivision 5, for a tennis facility in the city of St. Paul is canceled to the general fund.

(l) The \$1,700,000 appropriation in Laws 1998, chapter 404, section 22, for the Battle Point cultural education center is canceled. The bond sale authorization in Laws 1998, chapter 404, section 27, subdivision 1, is reduced by \$1,700,000.

(m) The balance of the appropriation in Laws 1998, chapter 404, section 23, subdivision 11, for the St. Cloud community events center is transferred to the board of trustees of the Minnesota state colleges and universities to construct a new athletic facility on the south side of the existing St. Cloud State University campus. The balance of the bond sale authorization in Laws 1998, chapter 404, section 27, subdivision 1, attributable to the events center project is to provide the money for the athletic facility project.

(n) \$1,000,000 of the appropriation in Laws 1998, chapter 404, section 23, subdivision 24, for the Minnesota African-American Performing Arts Center is canceled. The bond sale authorization in Laws 1998, chapter 404, section 27, subdivision 1, is reduced by \$1,000,000.

(o) The \$4,000,000 appropriation in Laws 1999, chapter 240, article 1, section 3, for the Southwest Metropolitan Integration Magnet School in Edina is canceled. The bond sale authorization in Laws 1999, chapter 240, article 1, section 13, is reduced by \$4,000,000.

(p) \$321,000 of the unobligated balance of the appropriation in Laws 1999, chapter 250, article 1, section 12, subdivision 5, to demolish the capitol square building and restructure the site as a temporary parking lot is canceled to the general fund.

Sec. 28. Minnesota Statutes 1998, section 16A.641, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] When authorized by a law enacted in accordance with the constitution, article XI, sections 5 and 7, the commissioner ~~may~~ shall sell and issue general obligation bonds of the state evidencing public debt incurred for any purpose stated in those sections. The full faith, credit, and taxing powers of the state are irrevocably pledged for the prompt and full payment of the bonds and interest. The decision of the commissioner on when to sell bonds must be based on the funding needs of the capital projects, the timing of the bond issue to achieve favorable interest rates, managing cash flow requirements for debt service, other state debt management considerations, and legal factors.

Sec. 29. Minnesota Statutes 1998, section 16A.642, is amended to read:

16A.642 [STATE BONDS: REPORTS; CANCELLATIONS.]

Subdivision 1. [REPORTS.] (a) The commissioner of finance shall report to the chairs of the senate committee on finance and the house of representatives committees on ways and means and on capital investment by February 1 of each odd-numbered year on the following:

(1) all laws authorizing the issuance of state bonds or appropriating general fund money for state or local government ~~building capital investment~~ projects enacted more than ~~five~~ four years before February 1 of that odd-numbered year; the projects authorized to be acquired and constructed ~~with the bond proceeds~~ for which less than 100 percent of the authorized total cost has been expended, encumbered, or otherwise obligated; the cost of contracts to be let in accordance with existing plans and specifications shall be considered expended for this report; and the amount of general fund money appropriated but not spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held but not previously expended, encumbered, or otherwise obligated for these projects; and

(2) all laws authorizing the issuance of state bonds or appropriating general fund money for state or local government capital programs or projects other than those described in clause (1), enacted more than ~~five~~ four years before February 1 of that odd-numbered year; and the amount of general fund money appropriated but not spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held but not previously expended, encumbered, or otherwise obligated for these programs and projects.

(b) The commissioner shall also report on general fund appropriations for capital projects, bond authorizations or bond proceed balances that may be canceled because projects have been canceled, completed, or otherwise concluded, or because the purposes for which the money was appropriated or bonds were authorized or issued have been canceled, completed, or otherwise concluded. The general fund appropriations, bond authorizations or bond proceed balances that are unencumbered or otherwise not obligated that are reported by the commissioner under this subdivision are canceled, effective July 1 of the year of the report, unless specifically reauthorized by act of the legislature.

Subd. 2. [CANCELLATION.] If the commissioner determines that the purposes for which general obligation bonds of the state have been issued or for which general fund monies were appropriated are accomplished or abandoned, after consultation with the affected agencies, and there is a remaining authorization or appropriation for a specific project of \$500 or less, the commissioner may cancel the remaining authorization or appropriation for that project. The commissioner must notify the chairs of the senate finance committee and the house capital investment committee of any bond authorizations or general fund appropriations canceled under this subdivision.

Subd. 3. [APPLICATION OF UNUSED BOND PROCEEDS.] All canceled bond proceeds shall be transferred to the state bond fund and used to pay or redeem bonds from which they were derived.

Subd. 4. [GENERAL FUND CANCELLATIONS.] All canceled general fund appropriations for capital improvement projects under this section are canceled to the general fund.

Sec. 30. Minnesota Statutes 1998, section 16A.67, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The commissioner of finance, ~~upon request of the governor,~~ is authorized to sell and issue state bonds to fund the judgment rendered against the state by the Minnesota supreme court in Cambridge State Bank et al. v. James, 514 N.W. 2d 565, on April 1, 1994, and related claims, and interest accrued on the judgment and related claims, to fund any bond reserve determined to be necessary, and to pay costs of issuance of the bonds. The proceeds of the bonds are appropriated for these purposes. The principal amount of the bonds shall not exceed \$400,000,000. The bonds shall be sold and issued upon such terms and in such manner as the commissioner shall determine to be in the best interests of the state. The final maturity of the bonds shall be not later than June 30, 2005.

Sec. 31. Minnesota Statutes 1998, section 16A.67, subdivision 5, is amended to read:

Subd. 5. [COVENANTS; AGREEMENTS.] The commissioner may, for and on behalf of the state, enter into such covenants and agreements not inconsistent with subdivisions 1 to 4 and sections 246.18, subdivisions 4 and 6; and 349A.10, subdivision 5, as may be necessary or desirable to facilitate the sale and issuance of the bonds on terms favorable to the state, including, but not limited to, covenants and agreements relating to the payment of and security for the bonds, tax-exemption, and disclosure of information required by federal and state securities laws. Such covenants and agreements of the commissioner constitute an enforceable contract of the state and the state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner to fulfill the terms of any such covenants or agreements made with the holders of the bonds, or in any way impair the rights and remedies of the holders until the bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The commissioner is authorized to include this pledge and agreement of the state in any covenant or agreement with the holders of such bonds. Such covenants may not include covenants to continue to operate the state lottery but may include covenants to continue to seek payment by and reimbursement from nonstate sources of health care costs so long as any bonds issued pursuant to this section are outstanding. The provisions of sections 16A.672 and 16A.675 are applicable to the bonds. The commissioner may pay to the United States of America any rebate in the amounts and at the times required by the United States Internal Revenue Code and treasury regulations promulgated thereunder in order to maintain the federal tax exemption of bonds issued under this section.

Sec. 32. Minnesota Statutes 1998, section 16A.6701, subdivision 2, is amended to read:

Subd. 2. [FEES CREDITED TO SPECIAL REVENUE FUND.] During any period in which bonds are issued and outstanding under section 16A.67, all state license and service fees must be credited to the special revenue fund created in section 16A.67, subdivision 3. Money credited to the special revenue fund must be transferred to the debt service fund established in section 16A.67, subdivision 4, at the times and in the amounts determined by the commissioner of finance to be necessary to provide for the payment and security of bonds issued pursuant to section 16A.67. On or before the tenth day of each month, any money in the special revenue fund not required to be transferred to the debt service fund must be transferred to the general fund. If bonds are not issued and outstanding under section 16A.67, all state license and service fees must be credited to the general fund.

Sec. 33. Minnesota Statutes 1998, section 16A.671, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; ADVISORY RECOMMENDATION.] To ensure that cash is available when needed to pay warrants drawn on the general fund under appropriations and allotments, ~~the governor may authorize the commissioner may~~ may (1) ~~to~~ issue certificates of indebtedness in anticipation of the collection of taxes levied for and other revenues appropriated to the general fund for expenditure during each biennium; and (2) ~~to~~ issue additional certificates to refund outstanding certificates and interest on them, under the constitution, article XI, section 6.

Sec. 34. Minnesota Statutes 1998, section 16A.671, subdivision 2, is amended to read:

Subd. 2. [ADVISORY RECOMMENDATION.] Before certificates are initially sold by any of the methods authorized in subdivision 6, the ~~governor~~ commissioner shall seek the advisory recommendation of the legislative advisory commission, or if there is no commission, the executive council, on (1) the necessity of issuing them, (2) the terms and conditions of the sale, and (3) the maximum amount to be issued and outstanding under the authorization. If the commission or council does not make a recommendation promptly, the recommendation is negative. An additional recommendation is not required for refunding outstanding certificates or for each issuance of certificates in accordance with an approved line of credit, underwriting, or placement agreement.

Sec. 35. Minnesota Statutes 1999 Supplement, section 16B.616, subdivision 3, as amended by Laws 2000, chapter 417, section 1, is amended to read:

Subd. 3. [SAFETY REQUIREMENTS.] In places of public accommodation using bleacher seating, all bleachers or bleacher open spaces over 55 inches above grade or the floor below, and all bleacher guardrails if any part of the guardrail is over 30 inches above grade or the floor below must conform to the following safety requirements:

(1) the open space between bleacher footboards, seats, and guardrails must not exceed four inches, unless approved safety nets are installed, except that retractable bleachers already in place as of January 1, 2001, ~~with~~ may have open spaces not exceeding nine inches, ~~are exempt from the requirement of this clause and any bleachers owned by the University of Minnesota, the Minnesota state colleges and universities, or a private college or university may have open spaces not exceeding nine inches;~~

(2) bleachers must have vertical perimeter guardrails with no more than four-inch rail spacing between vertical rails or other approved guardrails that address climbability and are designed to prevent accidents; and

(3) the state building official shall determine whether the safety nets and guardrail climbability meet the requirements of the alternate design section of the State Building Code. All new bleachers manufactured, installed, sold, or distributed after January 1, 2001, must comply with the State Building Code in effect and this subdivision.

Sec. 36. Minnesota Statutes 1999 Supplement, section 16B.616, subdivision 4, as amended by Laws 2000, chapter 417, section 2, is amended to read:

Subd. 4. [ENFORCEMENT.] (a) A statutory or home rule charter city that is not covered by the code because of action taken under section 16B.72 or 16B.73 is responsible for enforcement in the city of the code's requirements for bleacher safety. In all other areas where the code does not apply because of action taken under section 16B.72 or 16B.73, the county is responsible for enforcement of those requirements.

(b) Municipalities that have not adopted the code may enforce the code requirements for bleacher safety by either entering into a joint powers agreement for enforcement with another municipality that has adopted the code or contracting for enforcement with a qualified and certified building official or state licensed design professional to enforce the code.

(c) Municipalities, school districts, organizations, individuals, and other persons operating or owning places of public accommodation with bleachers that are subject to the safety requirements in subdivision 3 shall provide a signed certification of compliance to the commissioner by January 1, 2002. For bleachers ~~exempted by~~ subject to the exception in subdivision 3, clause (1), entities covered by this paragraph must have on file a bleacher safety management plan and amortization schedule. The certification shall be prepared by a qualified and certified building official or state licensed design professional and shall certify that the bleachers have been inspected and are in compliance with the requirements of this section and are structurally sound. For bleachers owned by a school district, the person the district designates to be responsible for buildings and grounds may make the certification.

Sec. 37. [BIG BOG STATE RECREATION AREA.]

Subdivision 1. [85.013] [Subd. 2c.] [BIG BOG STATE RECREATION AREA, BELTRAMI COUNTY.] Big Bog state recreation area is established in Beltrami county.

Subd. 2. [PURPOSE.] The Big Bog state recreation area is created to expand and diversify regional recreational opportunities and to enrich the cultural, biological, and historical opportunities for visitors to an area of the state that has suffered severe economic distress. The Big Bog recreational area will also enhance public appreciation and provide for the long-term protection of a unique ecosystem.

Subd. 3. [BOUNDARIES.] The following described lands are located within the boundaries of Big Bog state recreation area, all in Beltrami county:

(1) Government Lots 1, 2, and 3 of Section 8, Township 154 North, Range 30 West, EXCEPT a tract in Government Lot 3 beginning 100 feet North of the South boundary of Government Lot 3 on the east right-of-way line of State Trunk Highway 72; thence northerly 200 feet along said trunk highway; thence East to the westerly right-of-way line of old Trunk Highway 72; thence southerly 200 feet along said right-of-way line; thence westerly to the point of beginning;

(2) all of Sections 25, 26, and 27; the east Half, the Northwest Quarter, and the North Half of the Southwest Quarter of Section 34; the North Half and the Southwest Quarter of Section 35; the North Half, the East Half of the Southwest Quarter, the Southwest Quarter of the Southwest Quarter, the West Half of the Southeast Quarter, and the Southeast Quarter of the Southeast Quarter of Section 36, all in Township 156 North, Range 31 West; and

(3) all of Sections 1 and 2; the East Half of Section 3; the East Half, the Southeast Quarter of the Northwest Quarter, the East Half of the Southwest Quarter, and the Southwest Quarter of the Southwest Quarter of Section 10; and all of Sections 11, 12, 13, 14, and 15, all in Township 155 North, Range 31 West.

Subd. 4. [ADMINISTRATION.] The commissioner of natural resources shall administer the area according to Minnesota Statutes, section 86A.05, subdivision 3, subject to existing rules and regulations for state recreation areas.

Subd. 5. [CONTINUED LEASE OF LAND IN BIG BOG STATE RECREATION AREA.] Notwithstanding Minnesota Statutes, sections 85.011, 85.013, 85.053, and 86A.05, the commissioner of natural resources may continue to lease, upon the terms and conditions as the commissioner may prescribe and in the form approved by the attorney general, land within the Big Bog state recreation area that is included in lease number 144-15-109 to Waskish township.

Sec. 38. [RED RIVER STATE RECREATION AREA.]

Subdivision 1. [85.013] [Subd. 20a.] [RED RIVER STATE RECREATION AREA, POLK COUNTY.] The Red River state recreation area is established in Polk county.

Subd. 2. [BOUNDARIES.] The following described lands are located within the boundaries of the Red River state recreation area, all in Polk county:

(1) Lots 3 to 14 of Block 2 including streets and alleys adjacent thereto in Riverside Addition;

(2) Block 1 including streets and alleys adjacent thereto in Surprenant's Addition;

(3) Lots 1 to 24 including streets and alleys adjacent thereto in Grigg's Addition;

(4) Lots 2, 4, 6, 8, 10, and 12 of Block 1, Block 3, Lots 1 to 10 of Block 4, and Lots 1 to 12 in Blocks A and B including streets and alleys adjacent thereto in Grand Forks East;

- (5) Lots 1 to 5 of Block 1 and Blocks 2 to 14 including streets and alleys adjacent thereto in Lake Park Addition;
- (6) Lots 1 to 7 and Lots 19 to 24 of Block 2 including streets and alleys adjacent thereto in E.B. Frederick's Addition;
- (7) Lots 1 to 3 of Block 1 and Blocks 2, 3, and 4 including streets and alleys adjacent thereto in Budge's First Addition;
- (8) Lots 1 to 4 of Block 1 including streets and alleys adjacent thereto in River Heights 1st Addition;
- (9) Blocks 1 and 2 including streets and alleys adjacent thereto in Thompson's Addition;
- (10) Lots 1 to 12 of Block 1, Lots 4 to 12 of Block 2, Block 3, and Lots 1 to 4 of Block 4 in Edwards Outlots and Outlots 4 to 8 including streets and alleys adjacent thereto in Auditor's Plat of Outlots;
- (11) Auditor's Plat of Mrs. Hines' Outlot;
- (12) Lots 6, 8, 10, 12, 14, 16, 18, 20, 22, and 24 of Block 3 and Lots 1 to 8 of Block 2 including streets and alleys adjacent thereto in the Original Townsite of East Grand Forks;
- (13) Blocks 1 to 8 including streets and alleys adjacent thereto in Woodland Addition;
- (14) Lots 1, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, and 23 of Block 31 and Blocks 32 to 38 including streets and alleys adjacent thereto in Traill's Addition;
- (15) Blocks 2 to 16 including streets and alleys adjacent thereto in Elm Grove;
- (16) Block 1, Lots 1 to 11 of Block 2, and Lots 1 to 11 of Block 3 including streets and alleys adjacent thereto in O'Leary and Ryan's Addition to Elm Grove;
- (17) Lots 6 to 10 of Block 1, Lots 8 to 35 of Block 2, Blocks 3, 4, and 5 including streets and alleys adjacent thereto in Folsom Park Addition;
- (18) Lots 1 to 6 of Block 1 in Jerome's Addition;
- (19) Lots 1 to 4 of Block 3 in Prestige Addition;
- (20) Lots 1 to 14 of Block 1 in Riverview Addition;
- (21) Lots 6 to 16 of Block 3 in Riverview 3rd Addition;
- (22) Lots 1 to 4 of Block 1 in Riverview 4th Addition;
- (23) Lots 1 and 2 of Block 1 in Riverview 5th Addition;
- (24) Lots 1 to 9 of Block 1 and Outlot A in Riverview 6th Addition;
- (25) Lots 1 to 18 of Block 1 and Lots 1 to 5 of Block 2 including streets and alleys adjacent thereto in Timberline 2nd Addition;
- (26) Lots 14 to 16 of Block 1 including streets and alleys adjacent thereto in Timberline Addition;
- (27) Lots 19 and 20 including streets and alleys adjacent thereto in Murphy's Outlots;

- (28) Lots 1 to 10 of Block 1 including streets and alleys thereto in Croy's 2nd Addition;
- (29) Lots 1 to 6 of Block 1 including the streets and alleys adjacent thereto in Point of Woods 2nd Addition;
- (30) Lots 1 to 6 of Block 1 including the streets and alleys adjacent thereto in Point of Woods Addition;
- (31) the unplatted portions of Government Lots 1, 2, and 3 of Section 35, Township 152 North, Range 50 West;
- (32) all of Government Lot 7, the unplatted portion of Government Lot 9, and that part of Government Lots 6 and 8 and the Southeast Quarter of the Southeast Quarter lying southwesterly of the southwesterly right-of-way line of the Burlington Northern and Santa Fe Railroad of Section 1, Township 151 North, Range 50 West;
- (33) the unplatted portions of Government Lots 2, 3, 4, 5, and 6 of Section 2, Township 151 North, Range 50 West;
- (34) all of Government Lots 1 and 2 of Section 11, Township 151 North, Range 50 West;
- (35) all of Government Lots 1, 7, and 11, the unplatted portions of Government Lots 3, 5, 9, and 10, and the Northeast Quarter of the Northwest Quarter of Section 12, Township 151 North, Range 50;
- (36) all of Government Lots 1 and 2, the Southwest Quarter of the Northwest Quarter, and the Northwest Quarter of the Southwest Quarter of Section 13, Township 151 North, Range 50 West;
- (37) all of Government Lots 1, 2, 3, and 4 of Section 14; Township 151 North, Range 50 West;
- (38) that part of Government Lot 7 lying southwesterly of the southwesterly right-of-way line of the Burlington Northern and Santa Fe Railroad of Section 6, Township 151 North, Range 49 West; and
- (39) all of Government Lots 2, 6, 7, and 9, the Northwest Quarter of the Northeast Quarter, the Northeast Quarter of the Northeast Quarter, the unplatted portions of Government Lots 3 and 5, and that part of Government Lot 1 and the Northeast Quarter of the Northwest Quarter lying southwesterly of the southwesterly right-of-way line of the Burlington Northern and Santa Fe Railroad of Section 7, Township 151 North, Range 49 West.

Subd. 3. [ADMINISTRATION.] The commissioner of natural resources shall administer the area according to Minnesota Statutes, section 86A.05, subdivision 3, subject to existing rules and regulations for state recreation areas. The commissioner shall appoint a citizens' oversight committee to assist with developing and managing the area. The committee shall serve without compensation and is exempt from Minnesota Statutes, section 15.059.

Sec. 39. Minnesota Statutes 1998, section 85.015, is amended by adding a subdivision to read:

Subd. 8a. [MILL TOWNS TRAIL.] (a) The trail shall originate at a point commonly known as Faribault Junction in Rice county, the termination point of the Sakatah Singing Hills Trail, and shall extend through the towns of Faribault, Dundas, Northfield, Waterford, and Randolph, to the termination point of the Cannon Valley Trail in Cannon Falls. The trail may be located within the Cannon River wild, scenic, and recreational river land use district.

(b) The trail shall be developed primarily for riding and hiking. Motorized vehicles, except snowmobiles, are prohibited from the trail.

Sec. 40. Minnesota Statutes 1999 Supplement, section 85.019, subdivision 4b, is amended to read:

Subd. 4b. [REGIONAL TRAILS.] The commissioner shall administer a program to provide grants to units of government for up to 50 percent of the costs of acquisition and betterment of public land and improvements needed for trails outside the metropolitan area deemed to be of regional significance according to criteria published by the

commissioner. Recipients must provide a nonstate cash match of at least one-half of total eligible project costs. If land used for the trails is not in full public ownership, then the recipients must prove it is dedicated to the purposes of the grants for at least 20 years. The commissioner shall make payment to a unit of government upon receiving documentation of reimbursable expenditures. A unit of government may enter into a lease or management agreement for the trail, subject to section 16A.695.

Sec. 41. Minnesota Statutes 1998, section 103F.161, is amended by adding a subdivision to read:

Subd. 3. [RED RIVER BASIN FLOOD MITIGATION PROJECTS.] Notwithstanding subdivision 2, a grant for implementation of a flood hazard mitigation project in the Red river basin that is consistent with the 1998 mediation agreement and approved by the Red river flood damage reduction work group may be for up to 75 percent of the cost of the proposed mitigation measures for the the Agassiz-Audubon, North Ottawa, Hay creek, and Thief River subwatershed projects.

Sec. 42. [115.445] [NOTIFICATION REQUIREMENTS.]

Before the pollution control agency may issue a permit for a new wastewater treatment system that requires a national pollutant discharge elimination system permit or a state disposal system permit, and before construction of the system may begin, the following requirements must be met:

(1) the project proposer must provide notice to other political subdivisions as required by section 116.182, subdivision 3a, unless section 116.182, subdivision 3a, does not apply to the project; and

(2) the agency shall evaluate wastewater treatment alternatives to the proposed project that are included in the facilities plan, and any comments received on the facilities plan, considering environmental and cost factors, and shall make the information available to the public and may make written findings regarding its evaluation.

Sec. 43. [115.447] [TRACKING REPORT FOR NEW WASTEWATER FACILITIES.]

The pollution control agency shall annually prepare a report tracking the location and capacity of each new wastewater treatment system requiring a national pollutant discharge elimination system or state disposal system permit built after May 1, 2000. The annual report must also provide the total number of new systems built after that date. The commissioner shall submit the report to the chairs of the legislative committees with jurisdiction over environmental policy and finance by February 1 of each year.

Sec. 44. Minnesota Statutes 1998, section 116.182, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Agency" means the pollution control agency.

(c) "Authority" means the public facilities authority established in section 446A.03.

(d) "Commissioner" means the commissioner of the pollution control agency.

(e) "Essential project components" means those components of a wastewater disposal system that are necessary to convey or treat a municipality's existing wastewater flows and loadings, ~~and future wastewater flows and loadings based on 50 percent of the projected residential growth of the municipality for a 20-year period.~~

(f) "Municipality" means a county, home rule charter or statutory city, town, the metropolitan council, an Indian tribe or an authorized Indian tribal organization; or any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state.

(g) "Outstanding international resource value waters" are the surface waters of the state in the Lake Superior Basin, other than Class 7 waters and those waters designated as outstanding resource value waters.

(h) "Outstanding resource value waters" are those that have high water quality, wilderness characteristics, unique scientific or ecological significance, exceptional recreation value, or other special qualities that warrant special protection.

Sec. 45. Minnesota Statutes 1998, section 116J.561, is amended to read:

116J.561 [CREATION OF ~~ACCOUNT~~ ACCOUNTS.]

~~A Two~~ redevelopment ~~account~~ accounts are created, one in the general fund and one in the bond proceeds fund. Money in the ~~account~~ accounts may be used to make grants as provided in section 116J.564 and to pay for the commissioner's costs in reviewing applications and making grants.

Sec. 46. Minnesota Statutes 1999 Supplement, section 116J.567, is amended to read:

116J.567 [SALE OF LAND.]

~~Bond proceeds funds~~ Money in the account in the bond proceeds fund may only be used for redevelopment costs for publicly owned property. ~~Nonbond proceeds funds~~ Money in the account in the general fund may be used for redevelopment costs as defined in section 116J.562, subdivision 2, provided that the land upon which the improvements are made will ultimately be sold to a private developer at the fair market value of the land, unless it can be determined by the commissioner that a sale for less than fair market value does not result in a subsidy to a private business or developer. Net sale proceeds, up to the amount of the grant, must be paid to the account by the development authority within two years of the sale. The sale and repayment provisions of this section do not apply to lands that will be acquired with ~~nonbond money other than bond~~ proceeds funds and retained in public ownership for infrastructure improvement and ponding or other environmental infrastructure. For the purpose of this section, "net sales proceeds" means the purchase price of the land minus redevelopment costs related to the land including redevelopment costs paid with grants made under section 116J.564.

Sec. 47. Minnesota Statutes 1999 Supplement, section 119A.45, as amended by Laws 2000, chapter 444, article 2, section 3, is amended to read:

119A.45 [EARLY CHILDHOOD LEARNING AND CHILD PROTECTION FACILITIES.]

The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for early childhood programs, with priority to centers in counties or municipalities with the highest percentage of children living in poverty. The commissioner may also make grants to state agencies and political subdivisions to construct or rehabilitate facilities for crisis nurseries or parenting time centers. The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner must prescribe the terms and conditions of the leases. A grant for an individual facility must not exceed \$200,000 for each program that is housed in the facility, up to a maximum of \$500,000 for a facility that houses three programs or more. Programs include Head Start, early childhood and family education programs, and other early childhood intervention programs. The commissioner must give priority to grants that involve collaboration among sponsors of programs under this section and may give priority to projects that collaborate with child care providers, including all-day and school-age child care programs, special needs care, sick child care, ~~and~~ nontraditional hour care, and programs that include services to refugee and immigrant families. The commissioner may give priority to grants for programs that will increase their child care workers' wages as a result of the grant. At least 25 percent of the amounts appropriated for these grants up to \$50,000 must utilize youthbuild under sections 268.361 to 268.366 or other youth employment and training programs for the labor portion of the construction. Eligible programs must consult with appropriate labor organizations to deliver education and training. State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply programwide and not to individual grants.

Sec. 48. Minnesota Statutes 1999 Supplement, section 124D.88, subdivision 3, is amended to read:

Subd. 3. [GRANT APPLICATION PROCESS.] (a) Any group of school districts that meets the criteria required under paragraph (b)(1) may apply for a magnet school grant in an amount not to exceed ~~\$20,800,000~~ for the approved costs or expansion of a magnet school facility.

(b)(1) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 123B.71, and the commissioner shall prepare a review and comment on the proposed magnet school facility, regardless of the amount of the capital expenditure required to design, acquire, construct, remodel, improve, furnish, or equip the facility. The commissioner must not approve an application for a magnet school grant for any facility unless the facility receives a favorable review and comment under section 123B.71 and the participating districts:

(i) establish a joint powers board under section 471.59 to represent all participating districts and govern the magnet school facility;

(ii) design the planned magnet school facility to meet the applicable requirements contained in Minnesota Rules, chapter 3535;

(iii) submit a statement of need, including reasons why the magnet school will facilitate integration and improve learning;

(iv) prepare an educational plan that includes input from both community and professional staff; and

(v) develop an education program that will improve learning opportunities for students attending the magnet school.

(2) The districts may develop a plan that permits social service, health, and other programs serving students and community residents to be located within the magnet school facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

(c) When two or more districts enter into an agreement establishing a joint powers board to govern the magnet school facility, all member districts shall have the same powers.

(d) A joint powers board of participating school districts established under paragraphs (b) and (c) that intends to apply for a grant must adopt a resolution stating the costs of the proposed project, the purpose for which the debt is to be incurred, and an estimate of the dates when the contracts for the proposed project will be completed. A copy of the resolution must accompany any application for a state grant under this section.

(e)(1) The commissioner shall examine and consider all grant applications. If the commissioner finds that any joint powers district is not a qualified grant applicant, the commissioner shall promptly notify that joint powers board. The commissioner shall make awards to no more than two qualified applicants whose applications have been on file with the commissioner more than 30 days.

(2) A grant award is subject to verification by the joint powers board under paragraph (f). A grant award must not be made until the participating districts determine the site of the magnet school facility. If the total amount of the approved applications exceeds the amount of grant funding that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers board the amount, if any, of the grant awarded to it.

(f) Each grant must be evidenced by a contract between the joint powers board and the state acting through the commissioner. The contract obligates the state to pay to the joint powers board an amount computed according to paragraph (e)(2) and a schedule, and terms and conditions acceptable to the commissioner of finance.

(g) Notwithstanding the provisions of section 123B.02, subdivision 3, the joint powers and its individual members may enter into long-term lease agreements as part of the magnet school program.

Sec. 49. Minnesota Statutes 1998, section 134.45, is amended by adding a subdivision to read:

Subd. 5a. [PROHIBITION ON PORNOGRAPHIC USE OF INTERNET.] A public library jurisdiction is not eligible for a grant under this section unless it has adopted a policy to prohibit library users from using the library's Internet access to view, print, or distribute material that is obscene within the meaning of section 617.241.

Sec. 50. Minnesota Statutes 1998, section 135A.034, is amended to read:

135A.034 [BUDGET PRIORITIES.]

Subdivision 1. [OPERATING BUDGET.] The governing boards of the University of Minnesota, and the Minnesota state colleges and universities, the community colleges, and the technical colleges shall each develop, for legislative and executive branch acceptance, its highest budget priorities in accordance with statewide objectives for higher education. It is the intent of the legislature to appropriate at least 67 percent of the total cost of instruction after adjusting for inflation and enrollment changes. However, in the event of a budget shortfall, or if funding of inflation is not possible, available funding shall first be applied to the agreed upon budget priorities.

Subd. 2. [CAPITAL PROJECTS.] The board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities are requested to consider the following criteria in establishing priorities for requests for bond funds for capital projects:

- (1) maintenance and preservation of existing facilities;
- (2) completion of projects that have received funding;
- (3) updating facilities to meet contemporary needs;
- (4) providing geographic distribution of capital projects; and
- (5) maximizing the use of nonstate contributions.

Sec. 51. Minnesota Statutes 1998, section 136F.36, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ACQUIRE, DEVELOP, AND SELL REAL PROPERTY FOR INSTRUCTIONAL PURPOSES.] For the purpose of instructional construction by technical colleges, the board may build, sell, or transfer personal property and may purchase or otherwise acquire real property that it does not intend to use as a permanent educational site. The board may, upon the terms and conditions it sets, develop and, sell, transfer, or otherwise dispose of real property acquired under this section. A sale shall, transfer, or other disposition must be for at fair market value. For purposes of this section, a sale price resulting from public bidding, public auction, or negotiations between unrelated parties acting in their self-interest is fair market value. Where real property acquired under this section cannot be sold for fair market value, the board may lease the real property under the terms and conditions it sets. The board may also contract for the use of real property it does not own. Where the board makes improvements to real property it does not own, the landowner shall may compensate the board for the fair market value, nominal consideration, or without consideration as may be agreed on between the parties, of the board's contribution to the improvements. No other authorizing legislation or legislative approval is required for an acquisition, improvement, or sale under this section. Proceeds from the sale, lease, or improvement of real property under this section are appropriated to the board.

Sec. 52. Minnesota Statutes 1998, section 136F.36, subdivision 3, is amended to read:

Subd. 3. [WARRANTIES.] The board may, in its discretion, offer the warranties contained in chapter 327A, less extensive warranties or no warranties.

Sec. 53. Minnesota Statutes 1998, section 136F.36, is amended by adding a subdivision to read:

Subd. 5. [STATE EMPLOYEE PURCHASE.] Notwithstanding section 15.054, personal or real property resulting from instructional construction by technical colleges may be sold to a state employee under the following conditions:

- (1) there is reasonable public notice of the sale;
- (2) the sale is by public auction, sealed bid, or listing with a licensed real estate broker;
- (3) the state employee offers the highest price; and
- (4) the state employee was not involved in the development of the property or the award of the sale.

Sec. 54. Minnesota Statutes 1998, section 136F.60, is amended by adding a subdivision to read:

Subd. 4. [TRANSFER OF STATE COLLEGE OR UNIVERSITY-OWNED IMPROVEMENTS.] The board may sell, transfer, or otherwise dispose of an improvement located on state-owned lands, the compensation for which shall be determined by the board. The sale, transfer, or disposition must be accomplished by a bill of sale describing the improvement transferred and the terms and conditions of the sale or transfer. Proceeds from the sale, transfer, or disposition must be retained by the board unless otherwise provided by section 16A.695 or other law.

Sec. 55. Minnesota Statutes 1998, section 136F.64, subdivision 1, is amended to read:

Subdivision 1. [GENERAL AUTHORITY; CONSTRUCTION; IMPROVEMENTS.] (a) Specific legislative authority is not required for repairs or minor capital projects financed with operating appropriation or institutional receipts that:

- (1) are undertaken for asset preservation or code compliance purposes; or
- (2) do not materially increase the net square footage of the institution; and
- (3) do not materially increase the costs of instructional programs.

For any project under this section with a cost in excess of \$50,000, unless the board of trustees determines that an emergency exists, the board must notify the chair of the finance committee of the senate, and the chairs of the ways and means committee and the capital investment committee of the house in writing before incurring any contractual obligations.

(b) The board shall supervise and control the preparation of plans and specifications for the construction, alteration, repair, or enlargement of state college and university buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Sec. 56. Minnesota Statutes 1998, section 136F.98, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE OF BONDS.] The board of trustees of the Minnesota state colleges and universities or a successor may issue ~~additional~~ revenue bonds under sections 136F.90 to 136F.97 ~~in an whose~~ aggregate principal amount at any time may not exceeding \$40,000,000, subject to the resolutions authorizing its outstanding

~~revenue bonds exceed \$100,000,000~~, and payable from the revenue appropriated to the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures or portions thereof to be used for dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house ways and means committee and the senate finance committee about the facilities to be financed by the bonds.

Sec. 57. Minnesota Statutes 1998, section 193.143, is amended to read:

193.143 [STATE ARMORY BUILDING COMMISSION, POWERS.]

Such corporation, subject to the conditions and limitations prescribed in sections 193.141 to 193.149, shall possess all the powers of a body corporate necessary and convenient to accomplish the objectives and perform the duties prescribed by sections 193.141 to 193.149, including the following, which shall not be construed as a limitation upon the general powers hereby conferred:

(1) To acquire by lease, purchase, gift, or condemnation proceedings all necessary right, title, and interest in and to the lands required for a site for a new armory and all other real or personal property required for the purposes contemplated by the Military Code and to hold and dispose of the same, subject to the conditions and limitations herein prescribed; provided that any such real or personal property or interest therein may be so acquired or accepted subject to any condition which may be imposed thereon by the grantor or donor and agreed to by such corporation not inconsistent with the proper use of such property by the state for armory or military purposes as herein provided.

(2) To exercise the right of eminent domain in the manner provided by chapter 117, for the purpose of acquiring any property which such corporation is herein authorized to acquire by condemnation; provided, that the corporation may take possession of any such property so to be acquired at any time after the filing of the petition describing the same in condemnation proceedings; provided further, that this shall not preclude the corporation from abandoning the condemnation of any such property in any case where possession thereof has not been taken.

(3) To construct and equip new armories as authorized herein; to pay therefor out of the funds obtained as hereinafter provided and to hold, manage, and dispose of such armory, equipment, and site as hereinafter provided. The total amount of bonds issued on account of such armories shall not exceed the amount of the cost thereof; provided also, that the total bonded indebtedness of the commission shall not at any time exceed the aggregate sum of ~~\$7,000,000~~ \$15,000,000.

(4) To provide partnerships with federal and state governments and to match federal and local funds, when available.

(5) To sue and be sued.

~~(5)~~ (6) To contract and be contracted with in any matter connected with any purpose or activity within the powers of such corporations as herein specified; provided, that no officer or member of such corporation shall be personally interested, directly or indirectly, in any contract in which such corporation is interested.

~~(6)~~ (7) To employ any and all professional and nonprofessional services and all agents, employees, workers, and servants necessary and proper for the purposes and activities of such corporation as authorized or contemplated herein and to pay for the same out of any portion of the income of the corporation available for such purposes or activities. The officers and members of such corporation shall not receive any compensation therefrom, but may receive their reasonable and necessary expenses incurred in connection with the performance of their duties; provided however, that whenever the duties of any member of the commission require full time and attention the commission may compensate the member therefor at such rates as it may determine.

~~(7)~~ (8) To borrow money and issue bonds for the purposes and in the manner and within the limitations herein specified, and to pledge any and all property and income of such corporation acquired or received as herein provided to secure the payment of such bonds, subject to the provisions and limitations herein prescribed, and to redeem any such bonds if so provided therein or in the mortgage or trust deed accompanying the same.

~~(8)~~ (9) To use for the following purposes any available money received by such corporation from any source as herein provided in excess of those required for the payment of the cost of such armory and for the payment of any bonds issued by the corporation and interest thereon according to the terms of such bonds or of any mortgage or trust deed accompanying the same:

(a) To pay the necessary incidental expenses of carrying on the business and activities of the corporation as herein authorized;

(b) To pay the cost of operating, maintaining, repairing, and improving such new armories;

(c) If any further excess moneys remain, to purchase upon the open market at or above or below the face or par value thereof any bonds issued by the corporation as herein authorized; provided, that any bonds so purchased shall thereupon be canceled.

~~(9)~~ (10) To adopt and use a corporate seal.

~~(10)~~ (11) To adopt all needful bylaws and rules for the conduct of business and affairs of such corporation and for the management and use of all armories while under the ownership and control of such corporation as herein provided, not inconsistent with the use of such armory for armory or military purposes.

~~(11)~~ (12) Such corporation shall issue no stock.

~~(12)~~ (13) No officer or member of such corporation shall have any personal share or interest in any funds or property of the corporation or be subject to any personal liability by reason of any liability of the corporation.

~~(13)~~ (14) The Minnesota state armory building commission created under section 193.142 shall keep all money and credits received by it as a single fund, to be designated as the "Minnesota state armory building commission fund," with separate accounts for each armory; and the commission may make transfers of money from funds appertaining to any armory under its control for use for any other such armory; provided such transfers shall be made only from money on hand, from time to time, in excess of the amounts required to meet payments of interest or principal on bonds or other obligations appertaining to the armory to which such funds pertain and only when necessary to pay expenses of construction, operation, maintenance, and debt service of such other armory; provided further, no such transfer of any money paid for the support of any armory by the municipality in which such armory is situated shall be made by the commission.

~~(14)~~ (15) The corporation created under section 193.142 may designate one or more state or national banks as depositories of its funds, and may provide, upon such conditions as the corporation may determine, that the treasurer of the corporation shall be exempt from personal liability for loss of funds deposited in any such depository due to the insolvency or other acts or omissions of such depository.

~~(15)~~ (16) The governor is empowered to apply for grants of money, equipment, and materials which may be made available to the states by the federal government for leasing, building, and equipping armories for the use of the military forces of the state which are reserve components of the armed forces of the United States, whenever the governor is satisfied that the conditions under which such grants are offered by the federal government, are for the best interests of the state and are not inconsistent with the laws of the state relating to armories, and to accept such grants in the name of the state. The Minnesota state armory building commission is designated as the agency of the state to receive such grants and to use them for armory purposes as prescribed in this chapter, and by federal laws, and regulations not inconsistent therewith.

Sec. 58. Minnesota Statutes 1998, section 246.18, subdivision 7, is amended to read:

Subd. 7. [USE OF CERTAIN REIMBURSEMENT FUNDS.] Except as provided in subdivisions 2, 5, and 6, and unless otherwise required by federal law, during any period in which bonds are issued and outstanding under section 16A.67, all money received from the federal government or other nonstate source for payment or reimbursement of health care costs incurred at regional treatment centers, state nursing homes, and other state facilities as defined in section 246.50, subdivision 3, must be credited to the special revenue fund created in section 16A.67, subdivision 3. Money credited to the special revenue fund must be transferred to the debt service fund established in section 16A.67, subdivision 4, at the times and in the amounts determined by order of the commissioner of finance to be necessary to provide for the payment and security of bonds issued pursuant to section 16A.67. On or before the tenth day of each month, any money in the special revenue fund not required to be transferred to the debt service fund must be transferred to the general fund. Except as provided in subdivisions 2, 5, and 6, and unless otherwise required by federal law, if bonds are not issued and outstanding under section 16A.67, all money received from the federal government or other nonstate source for payment or reimbursement of health care costs incurred at regional treatment centers, state nursing homes, and other state facilities as defined in section 246.50, subdivision 3, must be credited to the general fund.

Sec. 59. Minnesota Statutes 1998, section 349A.10, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF NET PROCEEDS.] Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund, and during any period in which bonds are issued and outstanding under section 16A.67, the remainder must be credited to the special revenue fund created in section 16A.67, subdivision 3, provided that if bonds are not issued and outstanding under section 16A.67, such remainder must be credited to the general fund. Money credited to the special revenue fund must be transferred to the debt service fund established in section 16A.67, subdivision 4, at the times and in the amounts determined by the commissioner of finance to be necessary to provide for the payment and security of bonds issued pursuant to section 16A.67. On or before the tenth day of each month, any money in the special revenue fund not required to be transferred to the debt service fund must be transferred to the general fund.

Sec. 60. Minnesota Statutes 1999 Supplement, section 446A.072, subdivision 4, is amended to read:

Subd. 4. [FUNDING LEVEL.] (a) The authority shall provide supplemental assistance for essential project component costs as certified by the commissioner of the pollution control agency under section 116.182, subdivision 4.

(b) Except as provided in paragraph (c), a municipality may not receive more than \$4,000,000, or \$15,000 per existing connection, whichever is less, under this section unless specifically approved by law. If a project would be eligible for more than \$4,000,000 under paragraph (e), the authority shall include a description of the project and the financing plan in its report on needs in subdivision 11.

(c) A sanitary district or multijurisdictional wastewater treatment district may receive an additional \$1,000,000 for each municipality participating up to a maximum grant of \$8,000,000, unless a higher amount is specifically approved by law. If a project would be eligible for more than \$8,000,000 under paragraph (e), the authority shall include a description of the project and the financing plan in its report on needs in subdivision 11.

(d) The authority shall provide supplemental assistance for up to one-half of the eligible grant funding level determined by the United States Department of Agriculture Rural Development funding for projects listed on the agency's project priority list, in priority order. In the case of multijurisdictional projects when the United States Department of Agriculture Rural Development is unable to fully fund up to one-half of the eligible grant amount, the authority may provide up to an additional \$1,000,000 for each municipality participating up to the limits under paragraph (c) but not to exceed the maximum grant level determined by the United States Department of Agriculture

Rural Development as needed to keep the project affordable. For municipalities that are not eligible for United States Department of Agriculture Rural Development funding for wastewater, the authority shall provide supplemental assistance for: (1) essential project component costs calculated by first determining the amount needed to reduce a municipality's annual residential sewer costs to 1.4 percent of the municipality's median household income or \$25 per month per household, whichever is greater, and then multiplying that amount by 80 percent to determine the actual award amount to supplement loans under section 446A.07; and (2) up to 50 percent of the incremental costs specifically identified by the agency as being attributable to more stringent wastewater standards required to protect outstanding resource value waters or outstanding international resource value waters.

(e) Notwithstanding paragraph (b), in the event that a municipality's monthly residential sewer service charges average above \$50, the authority will provide 90 percent of the grant amount needed to reduce the average monthly sewer service charge to \$50, provided the project is ranked in the top 50 percentile of the agency's intended use plan.

(f) The authority shall provide supplemental assistance to a municipality that would not otherwise qualify for supplemental assistance if:

(1) the municipality voluntarily accepts a sewer connection from another governmental unit to serve residential, industrial, or commercial developments that were completed before March 1, 1996, or are on lots whose plats were recorded before that date; and

(2) fees charged by the municipality for the connection must take into account state and federal grants used by the municipality for the construction of the treatment plant.

The amount of supplemental assistance under this paragraph must be sufficient to reduce debt service payments under section 446A.07 to an extent equivalent to a zero percent loan in an amount up to the other governmental unit's project costs necessary for connection. Eligibility for supplemental assistance under this paragraph ends three years after the agency certifies that the connection has met the operational performance standards established by the agency.

Sec. 61. Minnesota Statutes 1998, section 462A.202, subdivision 2, is amended to read:

Subd. 2. [TRANSITIONAL HOUSING.] The agency may make loans with or without interest to cities and counties to finance the acquisition, improvement, and rehabilitation of existing housing properties or the acquisition, site improvement, and development of new properties for the purposes of providing transitional housing, upon terms and conditions the agency determines. For purposes of this section, "transitional housing" means housing that is provided for a limited duration not exceeding 24 months, except that up to one-third of the residents may live in the housing for up to 36 months. Preference must be given to cities that propose to acquire properties being sold by the resolution trust corporation or the department of housing and urban development. Loans under this subdivision are subject to the restrictions in subdivision 7.

Sec. 62. Laws 1984, chapter 597, section 22, is amended to read:

Sec. 22. [TRANSPORTATION BONDS.]

To provide the money appropriated in this act from the state transportation fund the commissioner of finance ~~upon request of the governor~~ shall sell and issue bonds of the state in an amount up to \$16,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 174.50, 174.51, and by the Constitution, article XI, sections 4 to 7.

Sec. 63. Laws 1987, chapter 400, section 25, subdivision 1, is amended to read:

Subdivision 1. [BUILDING FUND.] To provide the money appropriated in this act from the state building fund the commissioner of finance ~~on request of the governor~~ shall sell and issue bonds of the state in an amount up to \$370,972,200 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 64. Laws 1987, chapter 400, section 25, subdivision 5, is amended to read:

Subd. 5. [WATER POLLUTION CONTROL FUND.] To provide the money appropriated in this act from the water pollution control fund the commissioner of finance ~~on request of the governor~~ shall sell and issue bonds of the state in an amount up to \$66,747,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the water pollution control fund.

Sec. 65. Laws 1989, chapter 300, article 1, section 23, subdivision 1, is amended to read:

Subdivision 1. [BUILDING FUND.] To provide the money appropriated in this act from the state building fund the commissioner of finance ~~on request of the governor~~ shall sell and issue bonds of the state in an amount up to \$142,585,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 66. Laws 1990, chapter 610, article 1, section 30, is amended to read:

Sec. 30. [BOND SALE.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the state bond proceeds fund the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$109,525,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [INFRASTRUCTURE DEVELOPMENT FUND.] To provide the money appropriated in this act from the infrastructure development fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$243,665,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$11,200,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 67. Laws 1991, chapter 354, article 11, section 2, subdivision 1, is amended to read:

Subdivision 1. (a) To provide the money appropriated from the bond proceeds fund in 1991 S. F. No. 1533, the commissioner of finance ~~on request of the governor~~ shall sell and issue bonds of the state in an amount up to \$16,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI.

(b) To provide the money appropriated from the bond proceeds fund in this act, the commissioner of finance ~~on request of the governor~~ shall sell and issue bonds of the state in an amount up to \$12,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI.

Sec. 68. Laws 1992, chapter 558, section 28, is amended to read:

Sec. 28. [BOND SALE.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$231,695,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$12,130,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Subd. 3. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$17,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 69. Laws 1994, chapter 639, article 3, section 5, is amended to read:

Sec. 5. [BOND SALE.]

(a) To provide the money appropriated in this act from the state bond proceeds fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$90,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, the Minnesota Constitution, article XI, sections 4 to 7, and paragraph (b).

(b) Bonds may not be issued under this section in total amounts exceeding the following:

(1) by June 30, 1996, \$10,000,000;

(2) by June 30, 1998, \$35,000,000;

(3) by June 30, 2000, \$55,000,000; and

(4) by June 30, 2002, \$75,000,000.

Sec. 70. Laws 1994, chapter 643, section 31, is amended to read:

Sec. 31. [BOND SALE AUTHORIZATION.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$573,385,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue general obligation bonds of the state in an amount up to \$45,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Subd. 3. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$2,970,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Sec. 71. Laws 1995, First Special Session chapter 2, article 1, section 14, is amended to read:

Sec. 14. [BOND SALE AUTHORIZATION.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this article from the bond proceeds fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$5,630,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this article from the state transportation fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue general obligation bonds of the state in an amount up to \$4,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Subd. 3. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated by this article from the maximum effort school loan fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$23,670,000 in the manner, on the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Sec. 72. Laws 1996, chapter 463, section 27, is amended to read:

Sec. 27. [BOND SALE AUTHORIZATIONS.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$597,110,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue general obligation bonds of the state in an amount up to \$10,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 73. Laws 1997, chapter 246, section 10, is amended to read:

Sec. 10. [BOND SALE AUTHORIZATIONS.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$86,625,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue general obligation bonds of the state in an amount up to \$3,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 74. Laws 1998, chapter 404, section 3, subdivision 24, is amended to read:

Subd. 24. St. Cloud Technical College 1,000,000

To design and construct an addition and remodeling of graphic arts and dental space, including classrooms, and ~~design~~ pre-design remodeling of most of the remaining space.

Sec. 75. Laws 1998, chapter 404, section 5, subdivision 11, as amended by Laws 1999, chapter 26, section 1, is amended to read:

Subd. 11. McLeod West School District No. 2887 500,000

For a grant to the McLeod West school district No. 2887, to ~~design and acquire land for a new grade 7 through 12~~ remodel an educational facility.

Sec. 76. Laws 1998, chapter 404, section 7, subdivision 23, as amended by Laws 1999, chapter 231, section 194, and Laws 1999, chapter 240, article 1, section 20, is amended to read:

Subd. 23. Metro Regional Trails 5,000,000

For grants to the metropolitan council for acquisition and development of a capital nature of trail connections in the metropolitan area as specified in this subdivision. The purpose of the grants is to improve trails in the metropolitan park and open space system and connect them with existing state and regional trails. Priority shall be given to matching funds for an ISTE A grant.

The funds shall be allocated by the council as follows:

(1) \$1,050,000 is allocated to Ramsey county as follows:

(i) \$400,000 to complete six miles of trails between the Burlington Northern Regional Trail and Bald Eagle-Otter Lake Regional Park;

(ii) \$150,000 to complete a one-mile connection between Birch Lake and the Lake Tamarack segment of Bald Eagle-Otter Lake Regional Park;

(iii) \$500,000 to acquire real property and design and construct or renovate recreation facilities along the Mississippi River in cooperation with the city of St. Paul;

(2) \$1,050,000 is allocated to the city of St. Paul as follows:

(i) \$250,000 to construct a bridge over Lexington Parkway in Como Regional Park; and

(ii) \$800,000 to enhance amenities for the trailhead at the Lilydale-Harriet Island Regional Park pavilion;

(3) \$1,400,000 is allocated to Anoka county to construct:

(i) a pedestrian tunnel under Highway 65 on the Rice Creek West Regional Trail in the city of Fridley; ~~and~~

(ii) restrooms, trailhead, signs, and amenities at the trailhead to the Rice Creek West Regional Trail; and

(iii) a pedestrian bridge on the Mississippi River Regional Trail crossing over Mississippi Street in the city of Fridley; and

(4) \$1,500,000 is allocated to the suburban Hennepin regional park district as follows:

(i) \$1,000,000 to connect North Hennepin Regional Trail to Luce Line State Trail and Medicine Lake; and

(ii) \$500,000 is for the cost of development and acquisition of the Southwest regional trail in the city of St. Louis Park. The trail must connect the Minneapolis regional trail system at Cedar Lake park to the Hennepin parks regional trail system at the Hopkins trail head.

Sec. 77. Laws 1998, chapter 404, section 23, subdivision 13, is amended to read:

Subd. 13. Hutchinson Community Civic Center

1,000,000

For a grant of up to \$1,000,000 to the city of Hutchinson to design, construct, furnish, and equip ~~design, construct, furnish, and equip~~ acquire and remodel facilities for a community civic center, subject to the requirements of Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner has determined that an equal amount has been committed from nonstate sources.

Sec. 78. Laws 1998, chapter 404, section 27, is amended to read:

Sec. 27. [BOND SALE AUTHORIZATIONS.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance, ~~on request of the governor~~, shall sell and issue bonds of the state in an amount up to \$463,795,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the transportation fund, the commissioner of finance, ~~on request of the governor~~, shall sell and issue bonds of the state in an amount up to \$34,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 79. Laws 1999, chapter 223, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Business and Community Development		38,488,000	28,186,000
Summary by Fund			
General	25,338,000	15,486,000	
TANF	1,500,000	1,500,000	
Environmental Fund	700,000	700,000	
Workforce Development Fund	10,950,000	10,500,000	

\$5,017,000 the first year and \$4,017,000 the second year are for Minnesota investment fund grants. Of this amount, \$1,000,000 in the first year is a one-time appropriation and is not added to the agency's budget base.

\$400,000 the first year is for a one-time grant to Advantage Minnesota, Inc. The funds are available only if matched on at least a dollar-for-dollar basis from other sources. The commissioner may release the funds only upon:

(1) certification that matching funds from each participating organization are available; and

(2) review and approval by the commissioner of the proposed operations plan of Advantage Minnesota, Inc. for the biennium.

\$14,067,000 the first year and \$14,073,000 the second year are for the job skills partnership program. If the appropriation for either year is insufficient, the appropriation for the other year is available. Of this appropriation, \$10,000,000 in each year is a one-time appropriation from the workforce development fund. It is the intention of the legislature that this program base funding be \$5,931,000 per year in the 2002-2003 biennium. This appropriation does not cancel.

\$500,000 the first year and \$500,000 the second year are one-time appropriations from the workforce development fund for the pathways program.

\$1,500,000 the first year and \$1,500,000 the second year are appropriated from the state's federal TANF block grant under Title I of Public Law Number 104-193 to the commissioner of human services, to be transferred to the commissioner of trade and economic development for the pathways program under Minnesota Statutes, section 116L.04, subdivision 1a. It is the intention of the legislature that the general fund base funding to the pathways program be \$1,500,000 per year in the 2002-2003 biennium.

\$500,000 the first year is for a one-time grant to the city of Fridley for costs of the design and construction of infrastructure improvements required by a large business campus development in the Moore lakes area of the city.

\$551,000 the first year and \$565,000 the second year are from fees collected under Minnesota Statutes, section 446A.04, subdivision 5, to administer the programs of the public facilities authority.

\$500,000 in the first year is for a one-time grant to the community resources program under Minnesota Statutes, chapter 466A.

\$200,000 the first year is for a one-time grant to the board of the rural policy and development center for operation of the center. This appropriation is available as matched in cash on a dollar-for-dollar basis from nonstate sources.

\$155,000 the first year and \$155,000 the second year are for grants to the metropolitan economic development association. This is a one-time appropriation and is not added to the agency's budget base.

\$265,000 the first year and \$265,000 the second year are for grants to WomenVenture. WomenVenture must implement a program to encourage and assist women to enter nontraditional careers in the trades and technical occupations. The program shall consist of outreach to women and girls and training, job placement, and job retention support that meet women's specific needs. The program must be accessible to low-income working mothers, including MFIP recipients.

\$450,000 the first year is for a one-time grant to the St. Paul rehabilitation center for its current programs, including those related to developing job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching. This appropriation is from the workforce development fund.

\$250,000 is for a grant to the city of Windom to provide loans to assist an expanding business. This is a one-time appropriation and is not added to the agency's budget base.

\$350,000 is for the biennium ending June 30, 2001, for a grant to the Camp Heartland center. The grant may be used for phase II capital expenditures including, without limitation, a septic system upgrade and bath/shower house construction, construction of a family lodge, renovation of a medical facility, construction of staff housing and offices, or expansion and upgrade of the dining room and kitchen. This is a one-time appropriation and is not added to the agency's budget base.

\$4,800,000 the first year and \$2,800,000 the second year are for purposes of the contamination cleanup and development grant program under Minnesota Statutes, sections 116J.551 to 116J.558. Of this appropriation, \$2,000,000 is a one-time appropriation and is not added to the agency's budget base.

\$75,000 is for a grant to the city of Lake Benton for planning and construction costs associated with a new visitor center and railroad depot building. The appropriation is available until June 30, 2001. This is a one-time appropriation and is not added to the agency's budget base.

\$220,000 the first year and \$220,000 the second year are for microenterprise technical assistance under Minnesota Statutes, section 116J.8745. This is a one-time appropriation and is not added to the agency's budget base.

\$50,000 in 2000 is for a grant to the Chatfield brass band music lending library. The money must be used for computer hardware and software to catalog the music collection and create a Web site. This is a one-time appropriation and must not be added to the agency's budget base.

\$50,000 in fiscal year 2000 is for a one-time grant to the Duluth Economic Development Authority for the purchase and installation of railroad ties to improve the Lake Superior Mississippi Railroad scenic railway along the St. Louis Bay in Duluth.

\$100,000 is appropriated for a grant to the city of Lanesboro for predevelopment costs for the Root River Regional Arts Center. This is a one-time appropriation and is not added to the agency's budget base.

\$50,000 the first year is for a one-time grant to county and district agricultural societies and associations that are eligible to receive aid under Minnesota Statutes, section 38.02. The commissioner shall administer this appropriation pursuant to a need-based competitive grant process.

\$216,000 in the first year is for one-time rural job creation grants under Minnesota Statutes, section 469.309.

\$450,000 is for a grant to the city of Duluth to support the development of the Duluth Technology Village. The grant shall be used to establish international partnerships, attract software businesses, recruit and train workers for the software industry, and support a software business incubator facility. This is a one-time appropriation and is not part of the agency base budget. This appropriation is not available unless matched by nonstate money.

\$150,000 the first year is for a grant to the suburban Hennepin regional park district for restoration of the Grimm farmstead.

\$150,000 in the first year is for a one-time grant to the city of Ely for rehabilitation of the Ely technical building.

\$50,000 in the first year is for a one-time grant to the Highland Park district council for the enhancement of the West Seventh Street/Gateway area, which serves as a major transportation and commercial corridor for visitors from the Minneapolis-St. Paul International Airport, Mall of America, and other destinations. The appropriation may be used to make improvements to the public right-of-way including, but not limited to, landscaping, lighting, signage, and roadway improvements. This appropriation must be matched one-for-one by nonstate funds.

\$3,000,000 in the first year is for the redevelopment account under Minnesota Statutes, sections 116J.561 to 116J.567. The appropriation is available for the biennium ending June 30, 2001. This is a one-time appropriation and is not added to the agency's budget base.

\$75,000 in the first year is for a one-time grant to Perham Business Technology Center to equip the training center with interactive television and for program funds to implement the business plan.

Sec. 80. Laws 1999, chapter 240, article 1, section 8, subdivision 2, is amended to read:

Subd. 2. Capital Asset Preservation and Replacement (CAPRA)

3,000,000

To be spent in accordance with Minnesota Statutes, section 16A.632.

None of this appropriation may be used for renovation of the Minnesota Veterans Home - Luverne campus.

~~Of this amount, \$190,000 is for capital repair and betterment of roofs on buildings 1, 2, and 4, at the Hastings Veterans Home. This amount is available when the commissioner of finance determines that the Veterans Home Board is in compliance with Minnesota Statutes, sections 16A.695 and 198.31, with respect to the Hastings Veterans Home.~~

Sec. 81. Laws 1999, chapter 240, article 1, section 12, is amended to read:

Sec. 12. BOND SALE SCHEDULE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2001, no more than ~~\$590,663,000~~ \$570,513,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 82. Laws 1999, chapter 240, article 1, section 13, is amended to read:

Sec. 13. [BOND SALE AUTHORIZATIONS.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this article from the bond proceeds fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$139,510,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this article from the transportation fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$10,440,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 83. Laws 1999, chapter 240, article 2, section 16, is amended to read:

Sec. 16. [BOND SALE AUTHORIZATIONS.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this article from the bond proceeds fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$372,400,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this article from the transportation fund, the commissioner of finance, ~~on request of the governor,~~ shall sell and issue bonds of the state in an amount up to \$28,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 84. [INFRASTRUCTURE REPORTING STANDARDS.]

The commissioner of finance must implement the infrastructure reporting requirements of the Governmental Accounting Standards Board statement 34 as follows:

(1) following completion of the comprehensive annual financial report for fiscal year 2001 in the current format, an unaudited restatement of the financial statements must be prepared following statement 34; and

(2) the comprehensive annual financial report for fiscal year 2002 must implement all of the requirements of statement 34, including the retroactive reporting of infrastructure assets.

Sec. 85. [REPORT ON WASTEWATER TREATMENT SYSTEM EVALUATION PROCESS.]

By January 15, 2001, the public facilities authority, in conjunction with other interested state agencies, shall recommend and report to the chairs of the legislative committees with jurisdiction over environmental policy and finance issues which agency, if any, should be responsible for: evaluating wastewater treatment alternatives in unsewered areas, including regional alternatives to assure cost-effective alternatives have been evaluated; when in the process should the evaluation and recommendation be made; and to what extent state grant funding should be used as an incentive and/or disincentive, for municipalities seeking financial assistance. The report must recommend the factors to be considered in the evaluation of alternatives, level of technical assistance that should be provided, and must include a cost estimate for performing the tasks.

Sec. 86. [CONVEYANCE OF STATE LAND TO CITY OF ST. PAUL.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of administration shall convey by quit claim deed the real property described in paragraph (b) from the state of Minnesota to the city of St. Paul for no consideration other than the agreement of the city to relocate the building to an alternative site to preserve it.

(b) The land to be conveyed is recorded as follows: Lots 6-10, Block 55, Rice and Irvines Addition, according to the plat thereof on file and of record in the office of the county recorder in and for Ramsey county, Minnesota.

(c) The conveyance must be in a form approved by the attorney general. The attorney general may require a survey, at the expense of the city of St. Paul. The legal description set forth in the instrument of conveyance may vary from the description set forth in paragraph (b) as reasonably necessary to correct errors, deficiencies, or ambiguities in the description.

Sec. 87. [RENAMING VISITORS' CENTER; LAKE BRONSON STATE PARK.]

The visitors' center at Lake Bronson state park is renamed the Victor Johnson visitors' center.

Sec. 88. [REPEALER.]

Minnesota Statutes 1999 Supplement, section 16C.065, is repealed.

Sec. 89. [EFFECTIVE DATE; APPLICATION.]

(a) This article is effective the day after its final enactment.

(b) Section 42 applies only to new permit applications submitted on and after its effective date.

(c) Section 44 applies only to projects placed on the intended use plan prepared by the public facilities authority on and after its effective date.

ARTICLE 2

METROPOLITAN COUNCIL TRANSIT

Section 1. [METROPOLITAN COUNCIL TRANSIT APPROPRIATION.]

(a) \$25,000,000 in fiscal year 2001 and \$19,000,000 in fiscal year 2002 is appropriated from the general fund to the metropolitan council for public improvements of a capital nature for engineering, design, and construction of an exclusive bus transitway including, but not limited to, acquisition of land and right-of-way.

(b) None of the money appropriated in this section may be spent for light rail transit or commuter rail purposes. The appropriation in paragraph (a), split between the two fiscal years, is nonrecurring, for one-time only, and does not commit the state to make any additional appropriations for the activities described in paragraph (a).

(c) The money necessary to complete the project described in paragraph (a) must come from nonstate sources. A property tax levied by or for the metropolitan council must not be one of those nonstate sources."

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending for public purposes, including but not limited to, acquiring and bettering public land and buildings and other public improvements of a capital nature with certain conditions; requiring certain studies and reports; establishing state recreation areas; imposing accounting standards for infrastructure; authorizing acquisition and conveyance of state land; renaming certain state facilities; repealing requirement for cost-benefit analysis on certain state projects; authorizing and changing procedures for the sale of state bonds; appropriating money; amending Minnesota Statutes 1998, sections 16A.641, subdivision 1; 16A.642; 16A.67, subdivisions 1 and 5; 16A.6701, subdivision 2; 16A.671, subdivisions 1 and 2; 85.015, by adding a subdivision; 103F.161, by adding a subdivision; 116.182, subdivision 1; 116J.561; 134.45, by adding a subdivision; 135A.034; 136F.36, subdivisions 1, 3, and by adding a subdivision; 136F.60, by adding a subdivision; 136F.64, subdivision 1; 136F.98, subdivision 1; 193.143; 246.18, subdivision 7; 349A.10, subdivision 5; and 462A.202, subdivision 2; Minnesota Statutes 1999 Supplement, sections 16B.616, subdivisions 3 and 4, as amended; 85.019, subdivision 4b; 116J.567; 119A.45, as amended; 124D.88, subdivision 3; and 446A.072, subdivision 4; Laws 1984, chapter 597, section 22; Laws 1987, chapter 400, section 25, subdivisions 1 and 5; Laws 1989, chapter 300, article 1, section 23, subdivision 1; Laws 1990, chapter 610, article 1, section 30; Laws 1991, chapter 354, article 11, section 2, subdivision 1; Laws 1992, chapter 558, section 28; Laws 1994, chapter 639, article 3, section 5; chapter 643, section 31; Laws 1995, First Special Session chapter 2, article 1, section 14; Laws 1996, chapter 463, section 27; Laws 1997, chapter 246, section 10; Laws 1998, chapter 404, sections 3, subdivision 24; 5, subdivision 11, as amended; 7, subdivision 23, as amended; 23, subdivision 13; and 27; Laws 1999, chapter 223, article 1, section 2, subdivision 2; and chapter 240, article 1, sections 8, subdivision 2; 12; 13; and 16; proposing coding for new law in Minnesota Statutes, chapter 115."

We request adoption of this report and repassage of the bill.

House Conferees: JIM KNOBLACH, DAVE BISHOP, PEGGY LEPPIK, HENRY J. KALIS AND TOM OSTHOFF.

Senate Conferees: LINDA BERGLIN, RICHARD J. COHEN, KEITH LANGSETH, LEROY A. STUMPF AND KENRIC J. SCHEEVEL.

Knoblach moved that the report of the Conference Committee on H. F. No. 4078 be adopted and that the bill be repassed as amended by the Conference Committee.

The Speaker resumed the Chair.

POINTS OF ORDER

Krinkie raised points of order pursuant to Joint Rule 2.06, relating to Conference Committees and to House Rule 6.40, relating to Reports of Conference Committees. The Speaker ruled the points of order not well taken.

Krinkie moved that the House refuse to adopt the Conference Committee report on H. F. No. 4078, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Krinkie motion and the roll was called. There were 24 yeas and 105 nays as follows:

Those who voted in the affirmative were:

Abrams	Hasskamp	Lenczewski	Paulsen	Schumacher	Vandever
Anderson, B.	Holberg	Lindner	Peterson	Smith	Wilkin
Buesgens	Krinkie	Milbert	Reuter	Tomassoni	Winter
Gerlach	Larsen, P.	Molnau	Rukavina	Van Dellen	Workman

Those who voted in the negative were:

Abeler	Dorman	Hilty	Leppik	Otremba	Storm
Bakk	Dorn	Holsten	Lieder	Ozment	Swapinski
Biernat	Entenza	Howes	Luther	Pawlenty	Swenson
Bishop	Erhardt	Huntley	Mahoney	Paymar	Sykora
Boudreau	Erickson	Jaros	Mares	Pelowski	Tingelstad
Bradley	Finseth	Jennings	Mariani	Pugh	Trimble
Broecker	Folliard	Johnson	McCollum	Rest	Tuma
Carlson	Fuller	Juhnke	McElroy	Rhodes	Tunheim
Carruthers	Gleason	Kahn	McGuire	Rifenberg	Wagenius
Cassell	Goodno	Kalis	Mulder	Rostberg	Wejzman
Chaudhary	Gray	Kelliher	Mullery	Seagren	Wenzel
Clark, J.	Greenfield	Kielkucki	Murphy	Seifert, J.	Westerberg
Clark, K.	Greiling	Knoblach	Ness	Seifert, M.	Westfall
Daggett	Gunther	Koskinen	Nornes	Skoe	Westrom
Davids	Haake	Kubly	Olson	Skoglund	Spk. Sviggum
Dawkins	Haas	Kuisle	Opatz	Solberg	
Dehler	Hackbarth	Larson, D.	Osskopp	Stanek	
Dempsey	Harder	Leighton	Osthoff	Stang	

The motion did not prevail.

The question recurred on the Knoblach motion that the report of the Conference Committee on H. F. No. 4078 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 4078, A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions and directions; establishing the Red River State Recreation Area and the Mill Towns Trail; establishing a working group on effects of increased activity in the DM&E railroad corridor; providing for certain surcharge forgiveness for a time for Gillette Children's Hospital, with certain conditions; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 1998, sections 85.015, by adding a subdivision; 136F.36, subdivisions 1, 3, and by adding a subdivision; 136F.60, by adding a subdivision; and 136F.64, subdivision 1; Minnesota Statutes 1999 Supplement, sections 119A.45; and 124D.88, subdivision 3; Laws 1998, chapter 404, sections 3, subdivision 24; 5, subdivision 11, as amended; 7, subdivision 23, as amended; and 23, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 240A.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 102 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Hasskamp	Larson, D.	Otremba	Stang
Anderson, I.	Dorn	Hilty	Leighton	Ozment	Storm
Bakk	Entenza	Holsten	Leppik	Pawlenty	Swapinski
Biernat	Erhardt	Howes	Lieder	Paymar	Swenson
Bishop	Erickson	Huntley	Luther	Pelowski	Sykora
Boudreau	Finseth	Jaros	Mahoney	Peterson	Tingelstad
Bradley	Folliard	Jennings	Mares	Pugh	Trimble
Carlson	Fuller	Johnson	Mariani	Rhodes	Tuma
Carruthers	Gleason	Kahn	McCollum	Rifenberg	Tunheim
Cassell	Goodno	Kalis	McElroy	Rostberg	Wagenius
Clark, J.	Gray	Kelliher	McGuire	Schumacher	Wejman
Clark, K.	Greenfield	Kielkucki	Mulder	Seagren	Wenzel
Daggett	Greiling	Knoblach	Mullery	Seifert, M.	Westerberg
Davids	Gunther	Koskinen	Murphy	Skoe	Westfall
Dawkins	Haas	Kubly	Ness	Skoglund	Westrom
Dehler	Hackbarth	Kuise	Nornes	Solberg	Winter
Dempsey	Harder	Larsen, P.	Osthoff	Stanek	Spk. Sviggum

Those who voted in the negative were:

Abrams	Gerlach	Lenczewski	Olson	Reuter	Van Dellen
Anderson, B.	Haake	Lindner	Opatz	Rukavina	Vandever
Broecker	Holberg	Marko	Osskopp	Seifert, J.	Wilkin
Buesgens	Juhnke	Milbert	Paulsen	Smith	Workman
Chaudhary	Krinkie	Molnau	Rest	Tomassoni	

Having received the constitutionally required three-fifths vote, the bill was repassed, as amended by Conference, and its title agreed to.

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 849, A bill for an act relating to metropolitan government; modifying the authority to expand or upgrade minor use airports; amending Minnesota Statutes 1998, section 473.641, subdivision 4.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2699, A bill for an act relating to public administration; appropriating money for health and human services, agriculture, environment and natural resources, criminal justice, state government, and economic development; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; providing penalties; amending Minnesota Statutes 1998, sections 13.82, subdivision 3b; 15.0591, subdivision 2; 15A.0815, subdivisions 2 and 3; 16A.10, by adding a subdivision; 16A.11, subdivision 3; 16A.124, by adding a subdivision; 16A.126, subdivision 2; 16B.052; 16B.31, by adding a subdivision; 16B.335, subdivision 5; 16B.42, subdivisions 2 and 3; 16B.48, subdivision 4; 16B.485; 17A.03, subdivision 5; 18E.04, subdivision 4; 41A.09, subdivision 3a; 41B.03, subdivisions 1 and 2; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 2; 41B.045, subdivision 2; 43A.38, subdivision 1; 60H.03, by adding a subdivision; 80A.122, by adding a subdivision; 80A.28, subdivision 1; 85A.02, subdivision 5a; 103E.011, by adding a subdivision; 115B.17, subdivision 19; 119A.05, subdivision 1; 119A.37, subdivision 4; 120B.22, subdivision 1; 121A.15, subdivisions 4 and 10; 125A.74, subdivisions 1 and 2; 138.17, subdivision 10; 144.551, subdivision 1; 144A.071, by adding a subdivision; 169.01, subdivision 37; 169.121, subdivision 3b; 169.129, by adding a subdivision; 169.21, subdivisions 2 and 3; 169.89, subdivision 2; 179A.18, subdivision 1; 181.932, subdivision 1; 182.661, subdivision 1; 182.666, subdivision 2, and by adding a subdivision; 193.143; 198.03, subdivision 1; 221.173; 242.41; 242.43; 242.44; 254B.03, subdivision 1; 256.01, by adding a subdivision; 256.011, subdivision 3; 256.741, by adding a subdivision; 256.955, subdivisions 1 and 2; 256.9753, subdivision 3; 256.995, subdivision 1; 256B.431, by adding subdivisions; 256B.69, subdivision 5d; 256J.08, by adding a subdivision; 256J.15, by adding a subdivision; 256J.32, by adding a subdivision; 256J.40; 256J.45, subdivision 3; 256J.46, by adding subdivisions; 256J.47, subdivision 1; 256J.49, subdivision 13; 256J.50, subdivisions 5 and 7; 256J.52, by adding a subdivision; 256L.05, subdivision 5; 257.75, subdivision 6; 268.362, subdivision 2; 345.31, by adding a subdivision; 345.39, subdivision 1; 349A.02, subdivision 1; 352.91, subdivision 3c, and by adding subdivisions; 352D.02, subdivision 1; 352D.04, subdivision 2; 356.30, subdivision 1; 383B.225, subdivision 2; 390.005, subdivision 3; 390.33, subdivision 1; 422A.101, subdivision 3; 471.345, by adding a subdivision; 490.121, subdivision 4, and by adding a subdivision; 490.123, subdivisions 1a and 1b; 490.124, subdivision 1; 518B.01, subdivision 21; 609.02, subdivisions 3 and 4a; 609.03; 609.033; 609.0331; 609.0332, subdivision 1; 609.034; 609.135, by adding a subdivision; 609.2231, subdivision 1; 609.378, subdivision 1; 611A.07, subdivision 1; 611A.32, subdivisions 1, 2, 3, and 5; 611A.33; 611A.34, subdivisions 1, 2, and 3; 611A.345; 611A.35; 611A.36, subdivisions 1 and 2; 626.556, by adding a subdivision; 629.342, subdivision 2; and 629.72, subdivision 6; Minnesota Statutes 1999 Supplement, sections 3.971, subdivision 8; 10A.01, subdivisions 2 and 21; 13.99, subdivision 108, and by adding a subdivision; 15.059, subdivision 5a; 16A.103, subdivision 1; 16A.129, subdivision 3; 16B.616, subdivisions 3 and 4; 62J.535, subdivision 2; 62J.694, subdivision 2; 116.073, subdivision 1; 116J.421, subdivision 2; 119B.011, subdivision 15; 119B.02, subdivision 1; 125B.21, subdivision 1; 144.395, by adding a

subdivision; 144.396, subdivisions 11 and 12; 144A.04, subdivision 5; 147.09; 169.121, subdivisions 3, 3d, and 3f; 169.1217, subdivision 7; 169.129, subdivision 1; 179A.04, subdivision 3; 181.932, subdivision 2; 214.01, subdivision 2; 241.272, subdivision 6; 242.192; 256.01, subdivision 2; 256.019; 256.955, subdivisions 4, 8, and 9; 256B.0916, subdivision 1; 256B.69, subdivision 5b; 256D.03, subdivision 4; 256J.02, subdivision 2; 256J.08, subdivision 86; 256J.21, subdivision 2; 256J.26, subdivision 1; 256J.33, subdivision 4; 256J.34, subdivisions 1 and 4; 256J.46, subdivisions 1, 2, and 2a; 256J.52, subdivisions 3 and 5; 256J.56; 256L.07, subdivision 1; 326.105; 473.3993, subdivision 3; 609.135, subdivision 2; 626.556, subdivision 2; and 626.558, subdivision 1; Laws 1997, chapter 200, article 1, section 5, subdivision 3; Laws 1997, chapter 225, article 4, section 4, as amended; Laws 1998, chapter 389, article 16, section 31, subdivision 2, as amended; Laws 1999, chapter 216, article 1, sections 2, subdivision 3; 9; 14; Laws 1999, chapter 223, article 1, section 6, subdivision 1; article 2, section 81, as amended; article 3, section 8; Laws 1999, chapter 231, sections 2, subdivision 2; 6, as amended; 11, subdivision 3; Laws 1999, chapter 245, article 1, section 2, subdivisions 3, 5, and 10; article 4, section 121; and Laws 1999, chapter 250, article 1, sections 11; 14, subdivision 3; 18; and 116; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 10A; 16A; 41B; 43A; 85; 136F; 144; 145; 169; 181; 182; 198; 242; 252; 256J; 256K; 260B; 326; 345; 473; and 611A; proposing coding for new law as Minnesota Statutes, chapter 146A; repealing Minnesota Statutes 1998, sections 16B.37, subdivisions 1, 2, and 3; 16B.88; 16E.01, subdivisions 2 and 3; 16E.03, subdivisions 1 and 3; 16E.04, subdivision 1; 16E.05; 16E.06; 16E.07, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; 136F.59, subdivision 3; 168A.40, subdivisions 1 and 3; 184A.01; 184A.02; 184A.03; 184A.04; 184A.05; 184A.06; 184A.07; 184A.08; 184A.09; 184A.10; 184A.11; 184A.12; 184A.13; 184A.14; 184A.15; 184A.16; 184A.17; 184A.18; 184A.19; 184A.20; 241.41; 241.42; 241.43; 241.44; 241.441; 241.45; 256J.46, subdivision 1a; 352.91, subdivision 4; 465.795; 465.796; 465.797, subdivisions 2, 3, 4, 5, 6, and 7; 465.7971; 465.798; 465.799; 465.801; 465.802; 465.803; 465.81; 465.82, subdivisions 1, 2, and 3; 465.83; 465.84; 465.85; 465.86; 465.87; and 465.88; Minnesota Statutes 1999 Supplement, sections 16E.01, subdivision 1; 16E.02; 16E.03, subdivisions 2, 4, 5, 6, 7, and 8; 16E.04, subdivision 2; 16E.07, subdivision 4; 16E.08; 43A.318; 144.396, subdivision 13; 168A.40, subdivision 2; 465.797, subdivisions 1 and 5a; and 465.82, subdivision 4; Laws 1997, chapter 203, article 7, section 27; Laws 1999, chapter 135, section 9; Laws 1999, chapter 245, article 5, section 24; and Laws 1999, chapter 250, article 1, section 15, subdivision 4; Minnesota Rules, parts 3800.3810; 7672.0100; 7672.0200; 7672.0300; 7672.0400; 7672.0500; 7672.0600; 7672.0700; 7672.0800; 7672.0900; 7672.1000; 7672.1100; 7672.1200; 7672.1300; 7674.0100; 7674.0200; 7674.0300; 7674.0400; 7674.0500; 7674.0600; 7674.0700; 7674.0800; 7674.0900; 7674.1000; 7674.1100; and 7674.1200.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 3800, A bill for an act relating to education; providing for family and early childhood education; making changes to adult basic education programs; modifying child care licensing and inservice training requirements; transferring energy assistance programs; changing eligibility for individual development accounts; changing requirements for child care assistance; providing for kindergarten through grade 12 general education, special programs, employment and transitions, facilities and technology, educational excellence and other policy, nutrition, fund transfers, libraries, and technical, conforming, and clarifying amendments; providing for higher education; modifying salary and compensation procedures for the chancellor and other personnel of the Minnesota state colleges and universities; requiring board of regents and board of trustees to maintain certain data to be eligible for capital funding; modifying and making technical changes for state designer selection board, student residency, and child care grant provisions; increasing aggregate principal amount of revenue bonds issued by board of trustees; requiring a study and report; modifying state graduation requirements; providing for the North Star Standard alternative to

the profile of learning; requiring board of trustees to plan and coordinate programs with certain intermediate school districts and to provide relief to campuses experiencing increased health care costs; transferring certain programs from the higher education services office to the department of children, families, and learning; appropriating money to Minnesota state colleges and universities to fund increased enrollment; appropriating money; amending Minnesota Statutes 1998, sections 15A.081, subdivision 7b, and by adding a subdivision; 16B.33, subdivisions 2 and 3a; 120A.22, subdivision 3; 120A.41; 120B.03, subdivisions 1 and 3; 121A.61, subdivision 3; 122A.18, subdivision 2; 122A.31, subdivision 4; 123A.06, by adding a subdivision; 123A.485, subdivision 4; 123B.02, by adding a subdivision; 123B.51, subdivision 6; 123B.52, by adding a subdivision; 123B.53, by adding subdivisions; 123B.59, subdivision 6, and by adding subdivisions; 123B.71, subdivisions 3 and 10; 123B.75, subdivision 5; 123B.79, subdivision 7; 123B.85, subdivision 1; 123B.86, subdivision 1; 123B.88, subdivision 3; 124D.081, subdivision 6; 124D.111, subdivision 1; 124D.128, subdivision 4; 124D.44; 124D.454, subdivisions 2 and 10; 124D.52, subdivisions 1, 2, 3, and by adding subdivisions; 124D.86, subdivision 6, and by adding subdivisions; 125A.76, subdivision 7; 126C.10, by adding a subdivision; 126C.12, subdivision 2; 126C.40, subdivision 1, and by adding a subdivision; 126C.69, subdivision 3; 127A.05, subdivision 4; 127A.41, subdivisions 8 and 9; 127A.48, subdivision 1; 135A.031, subdivision 2; 136A.125, by adding a subdivision; 136D.281, subdivision 4; 136D.741, subdivision 4; 136D.88, subdivision 4; 136F.40; 136F.98, subdivision 1; 245A.14, subdivision 4, and by adding subdivisions; 471.15; and 475.53, subdivision 4; Minnesota Statutes 1999 Supplement, sections 119B.011, subdivision 20; 120B.02; 120B.30, subdivision 1; 122A.09, subdivision 4; 123B.53, subdivisions 4, 6, and by adding subdivisions; 123B.54; 123B.59, subdivision 6, and by adding subdivisions; 124D.10, subdivisions 3, 4, 6, 8, 10, 11, 14, 15, and 23; 124D.11, subdivisions 1, 4, and 6; 124D.1155, subdivision 2; 124D.128, subdivision 2; 124D.453, subdivision 3; 124D.53, subdivision 3; 124D.84, subdivision 1; 124D.86, subdivisions 1 and 3; 124D.87; 125A.023, subdivisions 3 and 5; 125A.08; 125A.15; 125A.76, subdivision 2; 125A.79, subdivision 8; 125A.80; 125B.21, subdivision 3; 126C.052; 126C.10, subdivisions 1, 2, 14, 23, 24, 25, and 26; 126C.12, subdivision 1; 126C.17, subdivision 9; 126C.40, subdivision 6; 126C.44; 126C.63, subdivision 8; 126C.69, subdivision 9; 127A.45, subdivision 12a; 127A.51; 181A.04, subdivision 6; 260C.143, subdivision 4; and 290.0674, subdivision 1; Laws 1997, First Special Session chapter 4, article 8, section 4, as amended; Laws 1998, First Special Session chapter 1, article 1, sections 10, subdivision 1, as amended; 11, subdivision 2, as amended; Laws 1999, chapter 205, article 1, sections 65; 71, subdivisions 3, 7, and 9; article 2, section 4, subdivisions 2, 3, and 4; article 3, section 5, subdivision 9; article 4, section 12, subdivisions 5, 6, and 7; chapter 241, article 1, sections 66; 68, subdivisions 4 and 5; 69; and 70; article 2, section 60, subdivisions 7, 9, 12, 13, 14, 17, and 19; article 3, sections 3, subdivisions 2 and 4; 5; article 4, sections 27, subdivisions 2, 3, 4, 5, 7, 10, and 11; and 29; article 5, section 18, subdivisions 5 and 6; article 6, section 14, subdivisions 2, 3, 4, and 5; article 8, section 4, subdivision 5; article 9, section 49; article 10, section 6; proposing coding for new law in Minnesota Statutes, chapters 16A; 120B; 121A; 122A; 123B; 124D; 125B; 134; repealing Minnesota Statutes 1998, sections 120B.03, subdivision 2; 120B.04; 123B.59, subdivision 7; 124D.453; 124D.53; 126C.30; 126C.31; 126C.32; 126C.33; 126C.34; 126C.35; 126C.36; 136D.281, subdivision 8; 136D.741, subdivision 8; and 136D.88, subdivision 8; Laws 1998, First Special Session chapter 1, article 1, section 10, subdivision 2, as amended; Laws 1999, chapters 216, article 4, section 12; 241, article 1, section 64; article 9, sections 35 and 36; article 10, section 5; and 245, article 4, section 3; Minnesota Rules, parts 3501.0300; 3501.0310; 3501.0320, subpart 2, items E and F; 3501.0330; 3501.0340; 3501.0350; 3501.0360; 3501.0370; 3501.0380; 3501.0390; 3501.0400; 3501.0410; 3501.0420; 3501.0430, items A to D; 3501.0440; 3501.0441; 3501.0442; 3501.0443; 3501.0444; 3501.0445; 3501.0446; 3501.0447; 3501.0448; 3501.0449; 3501.0450; 3501.0460; 3501.0461; 3501.0462; 3501.0463; 3501.0464; 3501.0465; 3501.0466; 3501.0467; 3501.0468; 3501.0469; 3535.9920; and 4830.9005 to 4830.9030.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 4127, A bill for an act relating to financing state and local government; providing a sales tax rebate; extending the time to qualify for and making certain other changes to the 1999 sales tax rebate; providing agricultural assistance; reducing individual income tax rates; making changes to income, franchise, withholding, sales and use, property, motor vehicle sales and registration, mortgage registry, health care provider, motor fuels, cigarette and tobacco, liquor, insurance premiums, lawful gambling, taconite production, solid waste, estate, and special taxes; changing and allowing tax credits, subtractions, and exemptions; conforming with changes in federal income tax provisions; providing for allocation and apportionment of income; changing property tax valuation, assessment, levy, classification, homestead, credit, aid, exemption, deferral, review, appeal, abatement, and distribution provisions; extending levy limits and changing levy authority; authorizing certain light rail transit spending if approved by the voters; reducing rates of health care provider taxes; reducing rates on lawful gambling and solid waste management taxes; changing tax increment financing provisions; providing special authority for certain political subdivisions; changing and clarifying tax administration, collection, enforcement, interest, and penalty provisions; changing revenue recapture provisions; freezing the taconite production tax; regulating state and local business subsidies; modifying certain aids to local units of government; recodifying sales and use taxes; recodifying insurance tax laws; establishing a legislative budget office; validating corporations established by political subdivisions and regulating their financing; changing county reporting requirements; providing certain duties and powers to the commissioner of revenue, the state auditor, and to the attorney general; defining terms; classifying data; requiring studies; providing for the transfer of excess surplus in the workers' compensation assigned risk plan; appropriating money; amending Minnesota Statutes 1998, sections 3.98, subdivision 3; 8.30; 16A.46; 37.13; 43A.316, subdivision 9; 43A.317, subdivision 8; 60A.15, subdivision 1; 60A.19, subdivision 8; 60A.198, subdivision 3; 60A.208, subdivision 8; 60A.209, subdivision 3; 60C.17; 60E.04, subdivision 4; 60E.095; 61B.30, subdivision 1; 62C.01, subdivision 3; 62E.10, subdivision 1; 62E.13, subdivision 10; 62L.13, subdivision 3; 62T.10; 64B.24; 71A.04, subdivision 1; 79.252, subdivision 4; 79.34, subdivision 1a; 115A.557, subdivision 3; 115A.69, subdivision 6; 116A.25; 126C.01, by adding a subdivision; 126C.17, subdivision 10; 176A.08; 238.08, subdivision 3; 270.063, by adding a subdivision; 270.072, subdivision 2, and by adding a subdivision; 270A.03, subdivision 7; 270A.07, subdivision 1; 273.111, subdivision 3; 273.124, by adding a subdivision; 273.125, subdivision 8; 273.37, subdivision 3; 275.065, subdivisions 3, 6, 8, and by adding a subdivision; 275.07, subdivision 1; 275.08, subdivision 1b; 275.70, by adding a subdivision; 275.72, subdivisions 1 and 3; 276.19, subdivision 1; 289A.08, by adding a subdivision; 289A.20, subdivision 2; 289A.26, subdivision 1; 289A.31, subdivision 7; 289A.35; 289A.60, subdivisions 1 and 14; 290.01, subdivisions 19c and 19d; 290.015, subdivisions 1, 3, and 4; 290.06, subdivision 22, and by adding subdivisions; 290.0671, subdivision 6; 290.0672, subdivisions 1 and 2; 290.0673, subdivision 8; 290.17, subdivision 2; 290.35, subdivisions 2, 3, and 6; 290.92, subdivisions 3, 28, and 29; 290B.04, by adding a subdivision; 290B.05, subdivision 3; 290B.07; 290B.08, subdivisions 1 and 2; 290B.09, subdivision 2; 295.50, subdivision 9b; 295.58; 296A.03, subdivision 5; 296A.21, subdivisions 2 and 3; 296A.22, subdivision 6; 297A.01, subdivisions 13, 15, 16, and by adding a subdivision; 297A.15, by adding a subdivision; 297A.25, subdivisions 5, 16, 34, 62, 76, and by adding subdivisions; 297B.01, subdivision 7; 297B.03; 297E.02, by adding a subdivision; 297F.01, subdivisions 7, 14, 17, and by adding subdivisions; 297F.08, subdivisions 2, 5, 8, and 9; 297F.13, subdivision 4; 297F.21, subdivisions 1 and 3; 297G.01, by adding a subdivision; 297G.03, subdivision 1; 297H.02, subdivision 2; 297H.03, subdivision 2; 297H.04, subdivision 2; 297H.13, subdivisions 2, 4, and by adding a subdivision; 360.035; 424.165; 429.011, subdivisions 2a and 5; 429.021, subdivision 1; 429.031, subdivision 1; 458A.09; 458A.30; 458D.23; 469.040, by adding a subdivision; 469.115; 469.127; 469.1734, subdivision 4; 469.174, subdivisions 9, 10, 11, 12, 14, and 22; 469.175, subdivisions 1a, 2, 2a, 3, 4, 5, and 6; 469.176, subdivisions 1b and 4d; 469.1761, subdivision 4; 469.1763, subdivision 2, and by adding a subdivision; 469.177, subdivision 1; 469.1813, subdivision 4; 473.388, subdivisions 4 and 7; 473.446, subdivision 1, and by adding a subdivision; 473.448; 473.545; 473.608, subdivision 2; and 477A.06, subdivision 3; Minnesota Statutes 1999 Supplement, sections 16D.09, subdivision 2; 43A.23, subdivision 1; 60A.19, subdivision 6; 116J.993, subdivision 3; 116J.994, subdivisions 1, 3, 4, 5, 6, 7, 8, and 9; 116J.995; 168.012, subdivision 1; 270.65; 270A.03, subdivision 2; 270A.07, subdivision 2; 272.02, subdivision 39, and by adding a subdivision; 273.11, subdivision 1a; 273.124, subdivisions

1, 8, and 14; 273.13, subdivisions 22, 23, 24, 25, and 31; 273.1382, subdivisions 1, 1a, and 1b; 273.1398, subdivisions 1a and 4a; 275.065, subdivision 5a; 275.70, subdivision 5; 275.71, subdivisions 2, 3, and 4; 287.01, subdivision 2; 289A.02, subdivision 7; 289A.20, subdivision 4; 289A.55, subdivision 9; 290.01, subdivisions 19, 19b, and 31; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.0674, subdivision 2; 290.0675, subdivisions 1, 2, and 3; 290.091, subdivisions 1, 2, and 6; 290.191, subdivisions 2 and 3; 290.9725; 290A.03, subdivision 15; 290B.03, subdivision 1; 290B.05, subdivision 1; 291.005, subdivision 1; 295.52, subdivision 7; 295.53, subdivision 1; 297A.25, subdivisions 9 and 11; 297E.02, subdivisions 1, 4, and 6; 297F.08, subdivision 8a; 297H.05; 298.24, subdivision 1; 383D.74, subdivision 2; 469.101, subdivision 2; 469.1771, subdivision 1; 469.1813, subdivisions 1 and 6; 477A.011, subdivision 36; 477A.03, subdivision 2; 477A.06, subdivision 1; and 505.08, subdivision 3; Laws 1987, chapter 402, section 2, subdivisions 1, 4, and 5; Laws 1988, chapter 645, section 3, as amended; Laws 1995, First Special Session chapter 3, article 15, section 25; Laws 1997, chapter 231, article 1, section 19, subdivisions 1, as amended, and 3, as amended; Laws 1999, chapter 112, section 1, subdivision 1; Laws 1999, chapter 243, article 1, section 2; article 6, section 18; proposing coding for new law in Minnesota Statutes, chapters 3; 273; 278; 297A; 465; and 473; proposing coding for new law as Minnesota Statutes, chapter 297I; repealing Minnesota Statutes 1998, sections 60A.15; 60A.152; 60A.198, subdivision 6; 60A.199, subdivisions 2, 3, 4, 5, 6, 6a, 7, 8, 9, 10, and 11; 60A.209, subdivisions 4 and 5; 69.54; 69.55; 69.56; 69.57; 69.58; 69.59; 69.60; 69.61; 71A.04, subdivision 2; 270.072, subdivision 5; 270.075, subdivisions 3 and 4; 270.083; 273.127; 273.13, subdivision 24a; 273.1316; 297A.01; 297A.02; 297A.022; 297A.023; 297A.03; 297A.04; 297A.041; 297A.06; 297A.065; 297A.07; 297A.09; 297A.10; 297A.11; 297A.12; 297A.13; 297A.135; 297A.14; 297A.141; 297A.15; 297A.16; 297A.17; 297A.18; 297A.21; 297A.211; 297A.213; 297A.22; 297A.23; 297A.24; 297A.25; 297A.2531; 297A.2545; 297A.255; 297A.256; 297A.2571; 297A.2572; 297A.2573; 297A.259; 297A.26; 297A.28; 297A.33, subdivision 2; 297A.44, subdivision 1; 297A.46; 297A.47; 297A.48; 299F.21; 299F.22; 299F.23; 299F.24; 299F.25; 299F.26; 465.715, subdivisions 1, 2, and 3; 469.055, subdivision 5; 469.101, subdivision 21; 469.135; 469.136; 469.137; 469.138; 469.139; 469.140; 469.174, subdivision 13; 469.175, subdivision 6a; and 469.176, subdivision 4a; Minnesota Statutes 1999 Supplement, sections 290.06, subdivision 26; 290.9726, subdivision 7; and 465.715, subdivision 1a; Minnesota Rules, parts 2765.1500, subpart 6; and 8160.0300, subpart 4.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 4078, A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions and directions; establishing the Red River State Recreation Area and the Mill Towns Trail; establishing a working group on effects of increased activity in the DM&E railroad corridor; providing for certain surcharge forgiveness for a time for Gillette Children's Hospital, with certain conditions; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 1998, sections 85.015, by adding a subdivision; 136F.36, subdivisions 1, 3, and by adding a subdivision; 136F.60, by adding a subdivision; and 136F.64, subdivision 1; Minnesota Statutes 1999 Supplement, sections 119A.45; and 124D.88, subdivision 3; Laws 1998, chapter 404, sections 3, subdivision 24; 5, subdivision 11, as amended; 7, subdivision 23, as amended; and 23, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 240A.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 13, A senate concurrent resolution relating to adjournment for more than three days.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Pawlenty moved that the rules be so far suspended that Senate Concurrent Resolution No. 13 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 13

A senate concurrent resolution relating to adjournment for more than three days.

Be It Resolved, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon their adjournments on May 9, 2000, the Senate and House of Representatives may each set its next day of meeting for May 17, 2000.
2. Each house consents to adjournment of the other house for more than three days.

Pawlenty moved that Senate Concurrent Resolution No. 13 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 13 was adopted.

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 11:00 a.m., Wednesday, May 17, 2000. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Wednesday, May 17, 2000.

EDWARD A. BURDICK, Chief Clerk, House of Representatives