

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION — 2014

 EIGHTY-SECOND DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 3, 2014

The House of Representatives convened at 12:00 noon and was called to order by Paul Thissen, Speaker of the House.

Prayer was offered by the Reverend Jon Ellefson, Rosemount, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Dehn, R.	Hamilton	Lenczewski	Myhra	Schoen
Albright	Dettmer	Hansen	Liebling	Nelson	Schomacker
Allen	Dill	Hausman	Lien	Newberger	Scott
Anderson, M.	Dorholt	Hertaus	Lillie	Newton	Selcer
Anderson, P.	Drazkowski	Hilstrom	Loeffler	Nornes	Simonson
Anderson, S.	Erhardt	Holberg	Lohmer	Norton	Slocum
Anzelc	Erickson, R.	Hoppe	Loon	O'Driscoll	Sundin
Atkins	Erickson, S.	Hornstein	Mack	O'Neill	Swedzinski
Barrett	Fabian	Hortman	Mahoney	Paymar	Theis
Beard	Falk	Howe	Mariani	Pelowski	Torkelson
Benson, J.	Faust	Huntley	Marquart	Peppin	Uglem
Benson, M.	Fischer	Isaacson	Masin	Persell	Urdahl
Bernardy	FitzSimmons	Johnson, B.	McDonald	Petersburg	Wagenius
Bly	Franson	Johnson, C.	McNamar	Poppe	Ward, J.A.
Brynaert	Freiberg	Johnson, S.	McNamara	Pugh	Ward, J.E.
Carlson	Fritz	Kahn	Melin	Quam	Wills
Clark	Garofalo	Kelly	Metsa	Radinovich	Winkler
Cornish	Green	Kieffer	Moran	Rosenthal	Woodard
Daudt	Gruenhagen	Kiel	Morgan	Runbeck	Yarusso
Davids	Gunther	Kresha	Mullery	Sanders	Zellers
Davnie	Hackbarth	Laine	Murphy, E.	Savick	Zerwas
Dean, M.	Halverson	Leidiger	Murphy, M.	Sawatzky	Spk. Thissen

A quorum was present.

Lesch and Simon were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

REPORTS OF CHIEF CLERK

S. F. No. 1762 and H. F. No. 2762, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Uglem moved that the rules be so far suspended that S. F. No. 1762 be substituted for H. F. No. 2762 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2060 and H. F. No. 2178, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Barrett moved that the rules be so far suspended that S. F. No. 2060 be substituted for H. F. No. 2178 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2076 and H. F. No. 2474, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hansen moved that S. F. No. 2076 be substituted for H. F. No. 2474 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2245 and H. F. No. 2621, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Freiberg moved that the rules be so far suspended that S. F. No. 2245 be substituted for H. F. No. 2621 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2569 and H. F. No. 2763, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Isaacson moved that the rules be so far suspended that S. F. No. 2569 be substituted for H. F. No. 2763 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 2, 2014

The Honorable Paul Thissen
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Thissen:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State H. F. No. 2665.

Sincerely,

MARK DAYTON
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Paul Thissen
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2014 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2014</i>	<i>Date Filed 2014</i>
	2665	152	8:59 a.m. April 2	April 2

Sincerely,

MARK RITCHIE
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Hausman from the Committee on Capital Investment to which was referred:

H. F. No. 1068, A bill for an act relating to capital investment; appropriating money for the Minnesota Museum of American Art; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the general fund to the state agencies or officials indicated, to be spent for public purposes. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

<u>Natural Resources</u>	<u>13,000,000</u>
<u>Agriculture</u>	<u>528,000</u>
<u>Administration</u>	<u>15,000,000</u>
<u>Minnesota Amateur Sports Commission</u>	<u>1,500,000</u>
<u>Public Safety</u>	<u>1,555,000</u>
<u>Transportation</u>	<u>6,884,000</u>
<u>Metropolitan Council</u>	<u>37,193,000</u>
<u>Human Services</u>	<u>195,000</u>
<u>Veterans Affairs</u>	<u>250,000</u>
<u>Corrections</u>	<u>4,000,000</u>
<u>Employment and Economic Development</u>	<u>5,000,000</u>
<u>Minnesota Historical Society</u>	<u>1,422,000</u>
<u>Iron Range Resources and Rehabilitation Board</u>	<u>4,995,000</u>
<u>Grants to Political Subdivisions</u>	<u>33,478,000</u>
 <u>TOTAL</u>	 <u>\$125,000,000</u>

APPROPRIATIONS

Sec. 2. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**

\$13,000,000

To the commissioner of natural resources for the purposes specified in this section.

Subd. 2. **Native Prairie Bank Acquisition and Development**

2,000,000

To acquire native prairie bank easements under Minnesota Statutes, section 84.96, to develop and restore certain tracts of prairie bank lands.

Subd. 3. Fish Hatchery Improvements2,000,000

For improvements at state fish hatcheries located in one or more of the following locations: Lanesboro, Grand Rapids, Hinckley, Waterville, Tower, Spire Valley near Remer, and Crystal Springs near Altura, and for bio-security and energy efficiency upgrades statewide.

Subd. 4. Scientific and Natural Areas Acquisition and Development2,000,000

To acquire land identified by the commissioner as targeted sites for potential acquisition for scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5, and for protection and improvements of a capital nature in scientific and natural areas.

Subd. 5. Groundwater Monitoring and Observation Wells1,000,000

To install groundwater monitoring wells for multiple groundwater quantity and quality monitoring purposes by state agencies, as scientifically and practically appropriate, with preference given to placing monitoring wells in ground water management areas.

Subd. 6. Forestry Seed Processing Facilities2,000,000

To construct, furnish, and equip an expansion to the cold storage and processing facilities at Badoura Nursery to support consolidated bareroot production; construct and equip improved seed development, processing, and storage facilities at Badoura Nursery; construct, furnish, and equip greenhouse and laboratory facilities at General Andrews Nursery site to support expanded tree improvement operations; and to upgrade irrigation and artificial propagation bed infrastructure at the General Andrews Nursery site.

Subd. 7. Stream Restoration2,000,000

For design, land acquisition, and construction of the following stream protection and restoration projects:

(1) to convert four low-head dams to rapids in a three-mile stretch on the Sand Hill River; and

(2) to modify dams on Deer Creek to reconnect 20 miles of stream and 2,240 acres on the Pickerel chain of lakes near the city of Effie.

Subd. 8. James Ford Bell Museum2,000,000

To design and construct outdoor classroom space and landscapes representing Minnesota biomes at the new James Ford Bell Museum of Natural History on the St. Paul campus of the University of Minnesota.

Subd. 9. Unspent Appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 3. AGRICULTURE**Subdivision 1. Total Appropriation****\$528,000**

To the commissioner of agriculture for the purposes specified in this section.

Subd. 2. Lab Sample Storage203,000

To design, reconstruct, and equip the feed storage and grinding rooms in the Agriculture Laboratory.

Subd. 3. Aitkin County Fairgrounds325,000

For a grant to the Aitkin County Agricultural Society to predesign, design, construct, furnish, and equip a shared food service building that can be separated into three smaller food preparation areas.

Sec. 4. ADMINISTRATION**\$15,000,000**

To the commissioner of administration for one or more of the following purposes:

(1) to complete the design of, and to construct, repair, improve, renovate, restore, furnish, and equip the State Capitol building and grounds including, but not limited to, exterior stone repairs and window replacement; asbestos and hazardous materials abatement; mechanical, electrical, and plumbing; security systems replacement; general construction including, but not limited to, demolition, site improvements, life safety improvements, accessibility, security, and telecommunications; roof replacement; and finish work; and

(2) to predesign, design, conduct hazardous materials abatement, construct, repair, renovate, remodel, furnish, and equip the State Office Building, Administration Building, Centennial Office Building, 321 Grove Street buildings, and such other properties located on the Capitol campus as determined by the commissioner to meet temporary and permanent office, broadcast media, storage, parking, and other space needs occasioned by and in furtherance of an efficient restoration of the State Capitol building and for the efficient and effective function of the tenants currently located in the State Capitol building.

Sec. 5. MINNESOTA AMATEUR SPORTS COMMISSION**\$1,500,000**

To the Minnesota Amateur Sports Commission for grants to local government units under Minnesota Statutes, section 240A.09, paragraph (g) or (k), or to acquire equipment to improve indoor air quality by reducing concentrations of carbon monoxide and nitrogen dioxide.

Sec. 6. PUBLIC SAFETY**Subdivision 1. Total Appropriation****\$1,555,000**

To the commissioner of public safety for the purposes specified in this section.

Subd. 2. Cyrus - Public Safety Center225,000

For a grant to the city of Cyrus to acquire land for and to predesign, design, construct, furnish, and equip a facility to accommodate the city hall with community meeting space and the fire department.

Subd. 3. Montgomery - Public Safety Facility1,330,000

For a grant to the city of Montgomery to design, construct, furnish, and equip a public safety facility for fire and ambulance services in the city of Montgomery. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Sec. 7. TRANSPORTATION**Subdivision 1. Total Appropriation****\$6,884,000**

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. Passenger and Freight Rail2,384,000

To implement capital improvements and betterments for intercity passenger rail projects as identified in the statewide freight and passenger rail plan under Minnesota Statutes, section 174.03, subdivision 1b, which are determined to be eligible for United States Department of Transportation funding. Notwithstanding any law to the contrary, a portion or phase of an intercity passenger rail project may be accomplished with one or more state appropriations and an intercity passenger rail project need not be completed with any one appropriation. Capital improvements and betterments include preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, and construction.

This appropriation includes money for passenger and freight rail projects necessary for system capacity improvements and betterments per Passenger Rail Investment and Improvement Act of 2008 guidance, if federal funds are committed to the overall project.

Subd. 3. Minneapolis; I-35W Storm Tunnel Rehabilitation

4,500,000

To design and construct the rehabilitation of the Interstate 35W North and South Tunnels System in cooperation with the city of Minneapolis. The commissioner of transportation may enter into an agreement with the city of Minneapolis to conduct the work. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Sec. 8. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation

\$37,193,000

To the Metropolitan Council for the purposes specified in this section.

Subd. 2. Transit Capital Improvement Program

14,475,000

(a) To advance transit in the metropolitan area in accordance with the Metropolitan Council's current Transportation Policy Plan and in consultation with the Counties Transit Improvement Board. This appropriation may be used by the Metropolitan Council or for grants to metropolitan area political subdivisions for preliminary engineering, engineering, environmental assessment, environmental work, design, right-of-way acquisition, and construction for the Lake Street and I-35W transit station in Minneapolis, and in the following transitway corridors: Bottineau Boulevard, East 7th Street in St. Paul, I-94 Gateway, Penn Avenue North bus rapid transit, Red Line bus rapid transit, Red Rock, Riverview, Robert Street, Rush Line, and Snelling Avenue.

(b) The council shall allocate transit capital development resources so as to achieve geographic balance within the region to the extent possible.

Subd. 3. Maplewood - Fish Creek Trail

318,000

For a grant to the city of Maplewood to acquire and develop approximately 70 acres of land along Fish Creek to be included within the Fish Creek Natural Greenway, a park of regional and historical significance located in Ramsey County within the Mississippi National River and Recreation Area. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the acquisition is committed to the project from nonstate sources.

Subd. 4. Minneapolis - Sculpture Garden Drainage Control**8,000,000**

For a grant to the Minneapolis Park and Recreation Board to predesign, design, and construct renovation of the Minneapolis Sculpture Garden, which displays art owned by the Walker Art Center. The complete renovation will include improving irrigation, drainage, the parking lot, security, granite substructures, concrete, and fixtures in order to update them with more ecologically sustainable options that are less expensive to maintain; increasing physical accessibility in accordance with the Americans with Disabilities Act; transplanting and replacing trees and plant materials; and improving the mechanical plant, piping, and flooring of the Cowles Conservatory to permit its flexible reuse in a way that is more ecologically sustainable and less expensive to maintain.

Subd. 5. St. Paul - Como Regional Park Access**5,400,000**

For a grant to the city of St. Paul to predesign, design, and construct access and circulation improvements to Como Regional Park.

Subd. 6. St. Paul - Como Zoo**7,000,000**

For a grant to the city of St. Paul to design, construct, furnish, and equip renovations to exhibits at Como Zoo.

Subd. 7. West St. Paul - North Urban Regional Trail Bridge**2,000,000**

For a grant to the city of West St. Paul to predesign, design, and construct a pedestrian bridge for the North Urban Regional Trail as an overpass of Robert Street in the area near Wentworth Avenue in West St. Paul. This appropriation may also be used to acquire property or purchase rights-of-way needed for bridge construction. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 9. HUMAN SERVICES**\$195,000**

To the commissioner of human services for grave markers or memorial monuments for unmarked graves on public land of deceased residents of state hospitals or regional treatment centers.

Sec. 10. VETERANS AFFAIRS**\$250,000**

To the Minnesota Housing Finance Agency for up to five grants to conduct a housing needs assessment for veterans in a community. The grants may be awarded to any governmental or nongovernmental organization. The assessment, which may be a study or a survey, may examine the need for scattered site housing

for veterans and their families who are homeless or in danger of homelessness or for housing that addresses the health care needs of disabled or aging veterans. The assessment must be started no later than July 30, 2015, and completed no later than July 30, 2016. The commissioner of administration must provide copies of any completed assessment to the legislative committees with jurisdiction over housing and veterans affairs no later than January 1, 2017.

Sec. 11. **CORRECTIONS**

\$4,000,000

To the commissioner of administration for a grant to the Arrowhead Regional Corrections Joint Powers Board to design, construct, remodel, furnish, and equip the Northeast Regional Corrections Center campus buildings that support farm operations, educational programming, work readiness, and vocational training. Nonstate contributions to improvements at the center made before the enactment of this subdivision are considered to be sufficient match, and no further nonstate match is required.

Sec. 12. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

\$5,000,000

To the commissioner of employment and economic development for grants under the Greater Minnesota Business Development Public Infrastructure Grant program, Minnesota Statutes, section 116J.431.

Sec. 13. **MINNESOTA HISTORICAL SOCIETY**

\$1,422,000

To the Minnesota Historical Society to be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

Sec. 14. **IRON RANGE RESOURCES AND REHABILITATION BOARD**

\$4,995,000

To the Iron Range Resources and Rehabilitation Board to predesign, design, construct, furnish, and equip a new multiuse, year-round event center at Giants Ridge that will replace the existing facility. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from other sources.

Sec. 15. **GRANTS TO POLITICAL SUBDIVISIONS**

Subdivision 1. **Total Appropriation**

\$33,478,000

To the commissioner of employment and economic development, or another named agency, for the purposes specified in this section.

Subd. 2. Duluth - NorShor Theatre6,950,000

For a grant to the Duluth Economic Development Authority to design, construct, furnish, and equip certain public improvements, including skyway access from adjacent public parking, interior circulation, street and utility upgrades, the connection between the skyway and street levels, handicapped access, and the restoration of the lobby, entrance, and marquee, as part of the restoration and to enhance and provide public access to the historic NorShor Theatre. This appropriation is not available until the commissioner of management and budget has determined that at least \$20,850,000 has been committed to the project from nonstate sources and that sufficient nonstate funds are available to complete the project. Funds invested in the project by an investor receiving an assignment of state historic tax credits pursuant to Minnesota Statutes, section 290.0681 are nonstate funds for purposes of this requirement. Due to the integrated nature of the overall development, public bidding shall not be required.

Subd. 3. Duluth - Spirit Mountain Recreation Area3,400,000

For a grant to the city of Duluth for the Spirit Mountain Recreation Area Authority to acquire easements, licenses, and other interests in real property and to engineer, design, permit, and construct works and systems to transport water from the St. Louis River estuary for commercial and industrial use. This appropriation is not available until the commissioner of management and budget determines that at least \$1,100,000 has been committed to the project from nonstate sources. Expenditures made on or after September 1, 2011, for this project shall count toward the match from nonstate sources.

Subd. 4. Duluth - Wade Stadium3,920,000

For a grant to the city of Duluth to design, construct, furnish, and equip improvements to Wade Stadium, including the stadium walls and façade, grandstand, lighting, concession facilities and field, with proper drainage, for a ballpark and public outdoor events facility. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 5. Hanover - Bridge78,000

For a grant to the city of Hanover to rehabilitate the historic bridge over the Crow River.

Subd. 6. International Falls - Airport1,300,000

To the commissioner of transportation for a grant to the International Falls-Koochiching County Airport Commission to design, construct, furnish, and equip a new terminal building.

jetway, and associated appurtenances of a capital nature at the Falls International Airport. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 7. Lake Superior - Poplar River Water District

1,100,000

For a grant to the Lake Superior-Poplar River Water District to acquire interests in real property, engineer, design, permit, and construct infrastructure to transport and treat water from Lake Superior through the Poplar River Valley to serve domestic, irrigation, commercial, stock watering, and industrial water users.

Subd. 8. Minneapolis - Brian Coyle Community Center

330,000

To the Metropolitan Council for a grant to the Minneapolis Park and Recreation Board to predesign and design the renovation and expansion of the Brian Coyle Community Center. This appropriation does not require a local match. The Minneapolis Park and Recreation Board, the Pillsbury United Communities, Hennepin County, institutions of higher education, and neighborhood organizations shall develop an agreement for the use of the existing Brian Coyle Community Center. The lease between the Minneapolis Park and Recreation Board and Pillsbury United Communities shall be reformed prior to the expenditure of any funds for predesign and design.

Subd. 9. Minneapolis - Hennepin Center for the Arts

3,000,000

For a grant to the city of Minneapolis for improvements and betterments of a capital nature to renovate the historic Hennepin Center for the Arts.

Subd. 10. Minneapolis - Pioneers and Soldiers Cemetery Fence

1,900,000

To the Minnesota Historical Society for a grant to the city of Minneapolis to restore the historic steel and limestone pillar fence along Cedar Avenue and Lake Street, install a new steel fence and pillars along 21st Avenue South, and install a waterproofing system for preservation of the fence and pillars, at the Pioneer and Soldiers Cemetery.

Subd. 11. St. Paul - Ordway Center for the Performing Arts

5,000,000

For a grant to the city of St. Paul to construct, furnish, and equip a concert hall of approximately 1,100 seats and support spaces at the Ordway Center for the Performing Arts.

Subd. 12. St. Paul - Historic Palace Theater Renovation6,000,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip the renovation of the historic Palace Theater in St. Paul. The city of St. Paul may enter into one or more lease or management agreements to operate performing arts programs. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed from nonstate sources.

Subd. 13. University Enterprise Laboratories500,000

For a grant to the St. Paul Port Authority to predesign and begin design of phase two of the University Enterprise Laboratories building in St. Paul, subject to Minnesota Statutes, section 16A.695. Amounts expended to complete phase one of the University Enterprise Laboratories building since January 1, 2004, shall count toward the matching requirement.

Sec. 16. Minnesota Statutes 2012, section 240A.09, is amended to read:

240A.09 PLAN DEVELOPMENT; CRITERIA.

The Minnesota Amateur Sports Commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, the commission will give priority to proposals that come from more than one local government unit. Institutions of higher education are not eligible to receive a grant.

(b) In the metropolitan area as defined in section 473.121, subdivision 2, the commission is encouraged to give priority to the following proposals:

(1) proposals for renovation and indoor air quality improvements at an existing indoor ice arena;

~~(1)~~ (2) proposals for construction of two or more ice sheets in a single new facility;

~~(2)~~ (3) proposals for construction of an additional sheet of ice at an existing ice center;

~~(3)~~ (4) proposals for construction of a new, single sheet of ice as part of a sports complex with multiple sports facilities; and

~~(4)~~ (5) proposals for construction of a new, single sheet of ice that will be expanded to a two-sheet facility in the future.

(c) The commission shall administer a site selection process for the ice centers. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for an ice center must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(d) Proposals for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m. to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

(e) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(f) To the extent possible, all proposed facilities must be dispersed equitably, must be located to maximize potential for full utilization and profitable operation, and must accommodate noncompetitive family and community skating for all ages.

(g) The commission may also use the money to upgrade current facilities, purchase girls' ice time, or conduct amateur women's hockey and other ice sport tournaments.

(h) To the extent possible, 50 percent of all grants must be awarded to communities in greater Minnesota.

(i) To the extent possible, technical assistance shall be provided to Minnesota communities by the commission on ice arena planning, design, redesign, installation, renovation of heating, ventilating, and air conditioning systems, and operation, including the marketing of ice time.

(j) A grant for new facilities may not exceed \$250,000.

(k) The commission may make grants for rehabilitation and renovation. A rehabilitation or renovation grant may not exceed ~~\$100,000~~ \$200,000. Priority must be given to grant applications for indoor air quality improvements, including zero emission ice resurfacing equipment and the upgrading of heating, ventilating, and air conditioning systems which may include electronic indoor air monitoring devices.

(l) Grant money may be used for ice centers designed for sports other than hockey.

(m) Grant money may be used to upgrade existing facilities to comply with the bleacher safety requirements of section 326B.112.

Sec. 17. Minnesota Statutes 2012, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, and rehabilitation of supportive housing for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of ~~abandoned or foreclosed~~ property that is attributable to the land to be leased by community land trusts to low- and moderate-income homebuyers; and

(4) to finance the costs of acquisition and rehabilitation of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

EFFECTIVE DATE. This section is effective the day following final enactment for bonds authorized in 2014 and thereafter.

Sec. 18. Minnesota Statutes 2012, section 462A.37, is amended by adding a subdivision to read:

Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision 2, the agency may issue up to \$80,000,000 of housing infrastructure bonds in one or more series to which the payments made under this section may be pledged.

Sec. 19. Minnesota Statutes 2012, section 462A.37, is amended by adding a subdivision to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2a.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 32, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 20. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation in this act is enacted more than once in the 2014 legislative session, the appropriation must be given effect only once.

Sec. 21. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital investment; appropriating money for capital projects; authorizing the Housing Finance Agency to issue housing infrastructure bonds; amending Minnesota Statutes 2012, sections 240A.09; 462A.37, subdivision 2, by adding subdivisions."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 1765, A bill for an act relating to commerce; requiring labor peace agreements on certain qualifying projects; defining terms.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[16C.50] LABOR PEACE AGREEMENTS.**

Subdivision 1. Definitions. For the purposes of this section:

(1) the state has a "proprietary interest" in a project where it finances the project in whole or in part by any of the following: providing a grant; providing a loan; guaranteeing any payment under any loan, lease, or other obligation; contributing revenue on general obligation bond; or providing a tax abatement, reduction, deferral, or credit;

(2) the state acts as a "market participant" in a project when it is the owner of the project; is an equity investor in the project; or donates, sells, or leases real property, personal property, or infrastructure in support of the project;

(3) "qualifying project" means a project that is located in a city of the first class as defined under section 410.01, and includes the construction or development of:

(i) a hotel;

(ii) a food and beverage operation that is integral to a hotel, a major league or minor league sports facility, a convention center, or a civic center;

(iii) a cultural venue with catering or cafeteria facilities; or

(iv) infrastructure constructed specifically to support a project in item (i), (ii), or (iii);

(4) "hospitality workers" means all full-time or regular part-time employees of hotels and their integral food and beverage operations, as well as all full-time or regular part-time employees providing food and beverage, concession, catering, cafeteria, or merchandise services at sports facilities, convention centers, civic centers, or cultural venues, excluding supervisors, managers, and guards;

(5) "employer of hospitality workers" means an employer of hospitality workers who will be employed as a result of a qualifying project, and includes a developer of a state or local government-owned facility that is all or part of a qualifying project and a developer of a facility benefiting from state financial participation in a qualifying project; and

(6) "labor peace agreement" means a valid contract that sets forth agreements by and between an employer of hospitality workers and any labor organization seeking to represent hospitality workers on the process the employer and union will follow as the hospitality workers who will be employed as a result of the project choose whether or not to organize as a unit for collective bargaining with the employer.

Subd. 2. Labor peace agreement required. Any employer of hospitality workers on a qualifying project must have negotiated and executed a labor peace agreement with any interested labor organization prior to, and as a condition precedent of, the execution of a contract, project, agreement, grant agreement, or other agreement for financial assistance that causes the state to hold a proprietary interest in the project. When the state acts as a market participant in the project, any employer of hospitality workers must have a signed labor peace agreement with any interested labor organization prior to, and as a condition precedent to, its contract with the state.

Subd. 3. **Labor peace agreement provisions.** To fulfill the condition precedent to state financial participation, a labor peace agreement must contain:

(1) a provision prohibiting the labor organization and its members from engaging in any picketing, work stoppages, boycotts, or any other economic interference with the employer's hospitality operations on the qualifying project for the duration of the state government's ongoing financial interest in the qualifying project or for five years, whichever is greater;

(2) a provision requiring that during the duration of the agreement, all disputes relating to employment conditions or the negotiation thereof shall be submitted to final and binding arbitration; and

(3) a provision requiring the employer of hospitality workers to incorporate the terms of the labor peace agreement in any contract, subcontract, lease, sublease, operating agreement, concessionaire agreement, franchise agreement, or other agreement or instrument giving a right to any other employer of hospitality workers to own or operate the project or activities within the project.

Subd. 4. **Binding arbitration.** If the employer of hospitality workers and the interested labor organization reach impasse in negotiating a labor peace agreement, following mediation, either party may petition the commissioner of the Bureau of Mediation Services for binding arbitration. The procedural rules of section 179A.16 shall be followed in the selection of the arbitration panel. The question to be certified for arbitration shall be whether the interested labor organization has placed arbitrary or capricious conditions upon the negotiation of the labor peace agreement. If the arbitrator answers in the affirmative, the employer of hospitality workers is relieved of the obligations of this section.

Subd. 5. **Existing agreements.** If an employer of hospitality workers has valid collective bargaining agreements with recognized unions that cover, or will cover, the hospitality workers that will be employed as a result of the qualifying project, those agreements satisfy the requirements of this section.

Subd. 6. **Exemption.** This section shall not apply to projects that receive funds, property, goods, guarantees, or allowances of less than \$2,000,000 of the total cost of the project from state sources.

Subd. 7. **Limitations.** Nothing in this section requires an employer to recognize a particular labor organization. This section is not intended to enact or express any generally applicable policy regarding labor management relations or to regulate those relations in any way. This section is not intended to favor any particular outcomes in the determination of employee preference regarding union representation.

Subd. 8. **Prior financial assistance.** Nothing in this section applies to any financial assistance for which a contract or project agreement was executed prior to July 1, 2014."

Delete the title and insert:

"A bill for an act relating to publicly financed projects; requiring labor peace agreements for certain state-funded construction projects; proposing coding for new law in Minnesota Statutes, chapter 16C."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Murphy, E., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1951, A bill for an act relating to retirement; various Minnesota public employee retirement plans; allowing MSRS-General deferred members to vote in board elections; continuing Stevens County Housing and Redevelopment Authority employees in PERA-General; excluding fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission from PERA-General coverage; increasing member and employer contribution rates for certain retirement plans; providing for the consolidation of the Duluth Teachers Retirement Fund Association retirement plan and fund into the statewide Teachers Retirement Association; revising an amortization target date, creating new state aid programs; appropriating money; extending a MnSCU early retirement incentive program; increasing the limit for certain reemployed MnSCU retirees; extending the applicability of a second chance at tenure retirement coverage election opportunity for MnSCU faculty members; revising investment authority for various defined contribution plans or programs; authorizing the State Board of Investment to revise, remove, or create investment options for the Minnesota supplemental investment fund; expanding permissible investments under the unclassified state employees retirement program, the public employees defined contribution plan, the deferred compensation program, and the health care savings plan; revising salary reporting requirements; clarifying retirement provision applications to sheriffs; revising local government postretirement option program requirements and extending expiration date; clarifying future postretirement adjustment rates for former members of the former Minneapolis Firefighters Relief Association and the former Minneapolis Police Relief Association; making technical changes to amortization state aid and supplemental state aid; clarifying the eligibility of independent nonprofit firefighting corporations to receive police and fire supplemental retirement state aid; implementing the recommendations of the 2013-2014 state auditor volunteer fire working group; modifying the disability benefit application deadline for certain former Wadena County sheriff's deputies; authorizing city of Duluth and Duluth Airports Authority employee salary-supplement payments coverage following Court of Appeals decision; specifying interest rate for computing joint and survivor annuities; revising postretirement adjustment triggers; revising reemployed annuitant withholding in certain divorce situations; clarifying medical advisor and resumption of teaching provisions; specifying explicit postretirement adjustment assumptions; allowing volunteer firefighter relief associations to pay state fire chiefs association dues from the special fund; authorizing MnSCU employee to elect TRA coverage and transfer past service from IRAP to TRA; clarifying the applicability of 2013 postretirement adjustment modifications to certain county sheriffs; ratifying or grandparenting MSRS-Correctional plan coverage for Department of Human Services employees; allowing various service credit purchases; requiring a PERA report on certain survivor benefit amounts; amending Minnesota Statutes 2012, sections 3A.01, subdivision 1a; 11A.17, subdivisions 1, 9; 13.632, subdivision 1; 122A.18, subdivision 7a; 136F.481; 352.01, subdivisions 2b, 12; 352.03, subdivision 1, by adding a subdivision; 352.04, subdivisions 2, 3; 352.115, subdivisions 8, 10; 352.1155, subdivisions 1, 4; 352.90; 352.91, subdivisions 1, 2, 3c, 3d, 3e, 3f, by adding a subdivision; 352.92, subdivisions 1, 2; 352.965, subdivision 4, by adding subdivisions; 352.98, subdivision 2; 352B.08, subdivision 3; 352D.04, by adding subdivisions; 353.01, subdivision 14; 353.27, subdivisions 2, 3, 3b, 4, by adding a subdivision; 353.30, subdivision 3; 353.37, by adding a subdivision; 353.371, by adding a subdivision; 353.6511, subdivision 7; 353.6512, subdivision 7; 353D.05, subdivision 1, by adding a subdivision; 354.05, subdivisions 2, 7, 13; 354.42, subdivisions 2, 3; 354.44, subdivision 5; 354.445; 354.48, subdivision 6a; 354A.011, subdivisions 11, 15a, 27; 354A.021, subdivision 1; 354A.092; 354A.093, subdivision 1; 354A.096; 354A.12, subdivision 2; 354A.29, subdivision 8; 354A.31, subdivisions 1, 3a; 354A.32, subdivision 1; 354A.35, subdivision 1; 354A.37, subdivisions 3, 4; 354A.39; 354A.41; 354B.21, subdivisions 2, 3a; 355.01, subdivision 2c; 356.215, subdivision 11; 356.24, subdivision 1; 356.302, subdivision 7; 356.303, subdivision 4; 356.32, subdivision 2; 356.415, subdivision 1d; 356.42, subdivision 3; 356.465, subdivision 3; 356.47, subdivision 3; 356.635, subdivision 6; 356.99, subdivision 1; 356A.06, subdivisions 7, 7a; 424A.015, by adding a subdivision; 424A.016, subdivisions 4, 7; 424A.05, subdivision 3; 424A.08; 424B.12; 490.121, subdivision 2a; Minnesota Statutes 2013 Supplement, sections 69.051, subdivisions 1a, 3; 352.01, subdivision 2a; 352.03, subdivision 4; 353.01, subdivisions 2a, 2b; 353.651, subdivision 4; 354.436; 354.44, subdivision 6; 354A.12, subdivisions 1, 2a, 3a, 3c; 354A.27, subdivision 6a; 356.20, subdivision 2; 356.214, subdivision 1; 356.215, subdivision 8; 356.219, subdivision 8; 356.30, subdivision 3; 356.401, subdivision 3; 356.415, subdivisions 1a, 1c, 1e, 1f; 356.91; 423A.02, subdivision 3; 423A.022, subdivisions 2, 3; 424A.016, subdivision 6; 424A.02, subdivisions 3, 7; 424A.092, subdivision 6;

424A.093, subdivisions 2, 6; 424A.094, subdivision 2; 424A.10, subdivision 2; Laws 2009, chapter 169, article 5, section 2, as amended; article 6, section 1; proposing coding for new law in Minnesota Statutes, chapters 354; 354A; 356; repealing Minnesota Statutes 2012, sections 11A.17, subdivision 4; 352.965, subdivision 5; 352D.04, subdivision 1; 353D.05, subdivision 2; 354A.021, subdivision 5; 354A.108; 354A.24; 354A.27, subdivision 5; 356.415, subdivision 3; Minnesota Statutes 2013 Supplement, sections 354A.27, subdivisions 6a, 7; 354A.31, subdivision 4a.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Carlson from the Committee on Ways and Means to which was referred:

H. F. No. 2029, A bill for an act relating to state government; requiring a study of funding, impact, and needs of artists from diverse racial and ethnic communities in the state.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 2265, A bill for an act relating to elections; voters; authorizing secretary of state to obtain certain data from Department of Public Safety; authorizing secretary of state to share certain data; appropriating money; amending Minnesota Statutes 2012, sections 171.12, subdivision 7a; 201.13, subdivision 3.

Reported the same back with the following amendments:

Page 3, delete section 3 and insert:

"Sec. 3. **RESTRICTION ON USE OF FUNDS.**

During the biennium ending June 30, 2015, the secretary of state may not use any funds appropriated to the office, other than appropriations of federal funds or grant funds, for purposes of an agreement to share information or data related to voter registration records with an organization governed exclusively by a group of states."

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

With the recommendation that when so amended the bill be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Carlson from the Committee on Ways and Means to which was referred:

H. F. No. 2365, A bill for an act relating to employment; requiring professional licensing boards to expedite license processing for members of the military; providing for temporary licensure for certain military members; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 197.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[197.4552] EXPEDITED LICENSE PROCESSING; FORMER AND CURRENT MEMBERS OF THE MILITARY.**

Notwithstanding any other law to the contrary, each professional licensing board defined in section 214.01, subdivisions 2 and 3, shall establish a procedure to expedite the issuance of a license or certification to perform professional services regulated by each board to a qualified individual who is:

(1) an active duty military member;

(2) the spouse of an active duty military member; or

(3) an inactive military veteran who has left service in the two years preceding the date of license or certification application, and has confirmation of an honorable or general discharge status.

Sec. 2. **REPORT ON TEMPORARY LICENSES.**

(a) The governor shall designate representatives of professional licensing boards listed under Minnesota Statutes, section 214.01, subdivisions 2 and 3, to report to the legislature by January 15, 2015, on procedures for issuing temporary licenses or certifications to qualified persons who are active duty military members, spouses of active duty military members, or veterans who have recently left military service. The report must include recommendations on:

(1) conditions for issuance of temporary licenses, including evidence of credentialing in other states;

(2) duration of the temporary licenses or certifications; and

(3) general legislation or board-specific legislation needed to implement temporary licensure recommendations quickly and cost-efficiently.

(b) The recommendations of the report must ensure that to qualify for a temporary license a person must:

(1) produce evidence of a valid license, certificate, or permit in another state without history of disciplinary action by a regulatory authority in the other state; and

(2) produce evidence of a current criminal background check without a criminal conviction that adversely affects the person's ability to become licensed."

Delete the title and insert:

"A bill for an act relating to employment; requiring professional licensing boards to expedite licensure of former and current members of the military; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 197."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 2434, A bill for an act relating to local government; increasing the maximum number of connections allowed for the Cedar Lake area water and sanitary sewer district; authorizing Helena Township in Scott County to use surplus land, property, or money for certain purposes after removal of a subordinate service district; amending Laws 1999, chapter 243, article 14, section 5, subdivision 1.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Hausman from the Committee on Capital Investment to which was referred:

H. F. No. 2490, A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale of state bonds; modifying programs; modifying prior appropriations; appropriating money; amending Minnesota Statutes 2012, sections 16A.641, by adding a subdivision; 16A.642, subdivisions 1, 2; 115A.0716, subdivision 1; 462A.37, subdivision 2, by adding subdivisions; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; Laws 2012, chapter 293, section 19, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown 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. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless otherwise

specified in this act, money appropriated in this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144.

SUMMARY

<u>University of Minnesota</u>	<u>\$175,330,000</u>
<u>Minnesota State Colleges and Universities</u>	<u>193,615,000</u>
<u>Education</u>	<u>13,491,000</u>
<u>Minnesota State Academies</u>	<u>9,654,000</u>
<u>Perpich Center for Arts Education</u>	<u>2,000,000</u>
<u>Natural Resources</u>	<u>63,700,000</u>
<u>Pollution Control Agency</u>	<u>2,625,000</u>
<u>Board of Water and Soil Resources</u>	<u>25,400,000</u>
<u>Zoological Garden</u>	<u>7,000,000</u>
<u>Administration</u>	<u>1,700,000</u>
<u>Minnesota Amateur Sports Commission</u>	<u>8,723,000</u>
<u>Public Safety</u>	<u>3,260,000</u>
<u>Military Affairs</u>	<u>3,244,000</u>
<u>Transportation</u>	<u>56,895,000</u>
<u>Metropolitan Council</u>	<u>24,500,000</u>
<u>Human Services</u>	<u>58,787,000</u>
<u>Veterans Affairs</u>	<u>3,423,000</u>
<u>Corrections</u>	<u>25,381,000</u>
<u>Employment and Economic Development</u>	<u>9,950,000</u>
<u>Public Facilities Authority</u>	<u>45,067,000</u>
<u>Housing Finance Agency</u>	<u>20,000,000</u>
<u>Minnesota Historical Society</u>	<u>12,662,000</u>
<u>Grants to Political Subdivisions</u>	<u>147,736,000</u>
<u>Bond Sale Expenses</u>	<u>860,000</u>
<u>Cancellations</u>	<u>(2,115,000)</u>
 <u>TOTAL</u>	 <u>\$914,603,000</u>
 <u>Bond Proceeds Fund (General Fund Debt Service)</u>	 <u>801,529,000</u>
<u>Bond Proceeds Fund (User Financed Debt Service)</u>	<u>54,538,000</u>
<u>Maximum Effort School Loan Fund</u>	<u>10,491,000</u>
<u>State Transportation Fund</u>	<u>40,095,000</u>
<u>Trunk Highway Fund</u>	<u>7,950,000</u>
<u>Bond Proceeds Cancellations</u>	<u>(2,115,000)</u>

APPROPRIATIONS

Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation

\$175,330,000

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

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

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

Subd. 3. Minneapolis; Tate Laboratory Renovation 56,700,000

To design, renovate, furnish, and equip the Tate Laboratory of Physics building on the Minneapolis campus for the College of Science and Engineering.

Subd. 4. Crookston; Wellness Center 1,130,000

To predesign and design the renovation of the campus wellness and recreational center on the Crookston Campus.

Subd. 5. Research Laboratories 12,000,000

To design, construct, furnish, and equip a new bee research facility and a new greenhouse, and to design, renovate, furnish, and equip the aquatic invasive species research laboratory.

Subd. 6. Duluth; Chemical Sciences and Advanced Materials Building 24,000,000

To design, construct, furnish, and equip a new facility to meet the research and undergraduate instruction needs of the Swenson College of Science and Engineering on the Duluth campus.

Subd. 7. James Ford Bell Natural History Museum and Planetarium 51,500,000

To complete the design of and to construct, furnish, and equip a new James Ford Bell Natural History Museum and Planetarium on the St. Paul campus.

Subd. 8. University Share

Except for the appropriations for HEAPR and the Bell Museum, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 9. Unspent Appropriations

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house

of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

Sec. 3. **MINNESOTA STATE COLLEGES AND UNIVERSITIES**

Subdivision 1. **Total Appropriation**

\$193,615,000

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**

30,000,000

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

Subd. 3. **Metropolitan State University**

35,865,000

To complete the design of and to construct, furnish, and equip the Science Education Center, and renovate, furnish, and equip space in the new main building.

Subd. 4. **Bemidji State University**

13,790,000

To complete design and renovate, construct an addition to, furnish, and equip Memorial Hall; to design and renovate, furnish, and equip Decker Hall; to demolish Sanford Hall; and to design the demolition and replacement of Hagg Sauer Hall.

Subd. 5. **Lake Superior College**

5,266,000

To complete design, renovate, furnish, and equip the allied health and science classroom, lab, and clinic space in the 1986 wing of the E building.

Subd. 6. **Minneapolis Community and Technical College**

3,600,000

To design and renovate classroom and lab space, and upgrade HVAC, security systems, and facility exteriors.

Subd. 7. **St. Paul College**

1,500,000

To design, renovate, furnish, and equip classroom and lab space for the culinary arts and computer numerical control/machine tool programs.

Subd. 8. **Minnesota State College - Southeast Technical**

1,700,000

To design, renovate, repurpose, furnish, and equip classroom and lab space on the Red Wing and Winona campuses for health, science, and trades programs.

<u>Subd. 9. Central Lakes College - Staples</u>	<u>4,581,000</u>
<u>To demolish obsolete space and to design, renovate, repurpose, furnish, and equip space on the main campus to improve overall space utilization, efficiency, and academic program sustainability.</u>	
<u>Subd. 10. Minnesota State University - Mankato</u>	<u>25,818,000</u>
<u>To complete design, construct, furnish, and equip a clinical science building.</u>	
<u>Subd. 11. Minnesota State Community and Technical College - Moorhead</u>	<u>6,544,000</u>
<u>To design, renovate, demolish obsolete space, construct an addition, and furnish and equip the transportation center.</u>	
<u>Subd. 12. Rochester Community and Technical College</u>	<u>1,000,000</u>
<u>To design the demolition of Memorial and Plaza Halls and the renovation and relocation of associated classrooms and office spaces.</u>	
<u>Subd. 13. Minnesota West Community and Technical College - Canby and Jackson Campuses</u>	<u>3,487,000</u>
<u>To design and replace existing HVAC system with a geothermal system on the Canby campus; and to design, demolish and replace, furnish, and equip the powerline training facility and to design, relocate, renovate, and resize ITV classrooms on the Jackson campus.</u>	
<u>Subd. 14. Dakota County Technical College</u>	<u>7,586,000</u>
<u>To complete design, renovate, furnish, and equip classroom and lab space for transportation and emerging technologies programs.</u>	
<u>Subd. 15. Century College</u>	<u>2,020,000</u>
<u>To design, renovate, repurpose, furnish, and equip classroom and lab space for high-demand technical programs including a digital fabrication lab and solar panels.</u>	
<u>Subd. 16. Northeast Higher Education District</u>	<u>3,344,000</u>
<u>To design, renovate, furnish, and equip Wilson Hall and construct a biomass boiler system on the Itasca campus; to design, renovate, furnish, and equip the clinical nursing lab on the Rainy River campus; to design, renovate, furnish, and equip classroom and lab space on the Vermilion campus; and to design the demolition of and to demolish obsolete space, and to design, renovate, furnish, and equip space on the Hibbing campus.</u>	

Subd. 17. Winona State University22,200,000

To design, renovate, remodel, furnish, and equip classrooms for the Education Village project, which includes Wabasha Hall, Wabasha Rec, and the Cathedral School.

Subd. 18. Anoka Technical College1,500,000

To design, renovate, furnish, and equip classroom and lab spaces for the automotive and manufacturing technology training programs.

Subd. 19. St. Paul College14,482,000

To complete the design of and construct the health and science alliance center addition and to renovate, furnish, and equip existing health and West Tower spaces.

Subd. 20. Century College1,000,000

To design the renovation and construction of flexible, multiuse classrooms and labs for workforce programs.

Subd. 21. South Central College - North Mankato7,467,000

To design, renovate, renew, furnish, and equip laboratory, classroom, and office spaces on the North Mankato campus, including asbestos abatement, roof replacement, and HVAC upgrades.

Subd. 22. St. Cloud State University865,000

To design the renovation of Eastman Hall to relocate student health services and academic programs into the renovated Eastman Hall.

Subd. 23. Debt Service

(a) Except as provided in paragraph (b), the Board of Trustees shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section. After each sale of general obligation bonds, the commissioner of management and budget shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The board need not pay debt service on bonds sold to finance HEAPR. Where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold.

(c) The commissioner of management and budget 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 management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget 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 management and budget 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.

Subd. 24. Unspent Appropriations

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the board must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an 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.

Sec. 4. EDUCATION

Subdivision 1. Total Appropriation

\$13,491,000

To the commissioner of education for the purposes specified in this section.

Subd. 2. Independent School District No. 38, Red Lake

10,491,000

From the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72. Of this appropriation, \$5,491,000 is to complete design and construction of, furnish, and equip a single kitchen and cafeteria to serve the high school and middle school, and \$5,000,000 is to complete design, renovation, and construction of, furnish, and equip Red Lake Elementary School. Before any capital loan contract is

approved under this authorization, the district must provide documentation acceptable to the commissioner on how the capital loan will be used.

Subd. 3. Library Construction Grants

3,000,000

(a) For library construction grants under Minnesota Statutes, section 134.45.

(b) \$570,000 of this appropriation is for a grant to the city of Jackson to predesign, design, construct, furnish, and equip the renovation and expansion of the city library. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from nonstate sources.

(c) \$257,000 of this appropriation is for a grant to the city of Perham to predesign, design, construct, furnish, and equip the renovation of the city library. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from nonstate sources.

Sec. 5. MINNESOTA STATE ACADEMIES

Subdivision 1. Total Appropriation

\$9,654,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

1,000,000

For capital asset preservation improvements and betterments on both campuses of the Minnesota State Academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. New Residence Hall

8,654,000

To complete the design of and perform asbestos and hazardous materials abatement and demolition of Frechette Hall and to design, construct, furnish, and equip a new boys' dormitory on the Minnesota State Academy for the Deaf campus.

Sec. 6. PERPICH CENTER FOR ARTS EDUCATION

\$2,000,000

To the commissioner of administration for capital asset preservation improvements and betterments at the Perpich Center for Arts Education, to be spent in accordance with Minnesota Statutes, section 16B.307. This appropriation includes money to renovate the restrooms in the east wing of the administration building.

Sec. 7. **NATURAL RESOURCES**

Subdivision 1. Total Appropriation

\$63,700,000

To the commissioner of natural resources for the purposes specified in this section.

The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. Natural Resources Asset Preservation

12,000,000

For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding section 84.946, the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation.

Subd. 3. Buildings and Facilities Development

2,500,000

To predesign buildings in Bemidji, Rochester, and a lab/necropsy facility; and to replace buildings that are in poor condition, outdated, and no longer support the natural resource work.

Subd. 4. Flood Hazard Mitigation

9,900,000

(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161. Levee projects, to the extent practical, shall meet the state standard of three feet above the 100-year flood elevation. Project priorities shall be determined by the commissioner as appropriate and based on need.

(b) This appropriation includes money for the projects in Montevideo and Moorhead.

(c) For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

(d) To the extent that the cost of a project exceeds two percent of the median household income in a municipality or township multiplied by the number of households in the municipality or township, this appropriation is also for the local share of the project.

Subd. 5. Dam Renovation, Repair, Removal5,400,000

(a) To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

(b) This appropriation includes up to \$3,000,000 for a grant to the city of Champlin to repair and renovate the Champlin Mill Pond Dam. Notwithstanding the match requirements in section 103G.515, the grant to the city of Champlin does not require any nonstate match.

(c) \$2,400,000 of this appropriation is for a grant to Blue Earth County to repair and renovate the Rapidan Dam. Notwithstanding the match requirements in section 103G.515, the grant to Blue Earth County does not require any nonstate match.

Subd. 6. RIM Critical Habitat3,000,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943. This appropriation must be used only to acquire fee title.

Subd. 7. School Trust Lands Acquisition2,000,000

To acquire school trust lands where revenue generation is prohibited. All payments made pursuant to this subdivision shall be deposited into the permanent school fund under Minnesota Statutes, section 11A.16. For purposes of this section, "school trust land" has the meaning given in Minnesota Statutes, section 92.025.

Subd. 8. State Trails Acquisition and Development19,400,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015. This appropriation includes funding for the following trail projects:

(1) \$500,000 to acquire land for and develop approximately four miles of the Blazing Star Trail from Myre-Big Island State Park to Hayward;

(2) \$650,000 is to develop and pave approximately five miles of the Casey Jones Trail in Pipestone County from County Road 16 through Woodstock and to improve the trailhead in Pipestone;

(3) \$2,750,000 is for the Cuyuna Lakes Trail segment from Deerwood to Crosby and the Sagamore Unit of the Cuyuna Country State Recreation Area, to connect to the Paul Bunyan Trail and into Lum Park and then to the airport;

(4) \$600,000 is to acquire land and develop the Gateway Trail from Pine Point Park in May Township into William O'Brien State Park;

(5) \$1,700,000 is to acquire land and develop the Gitchi-Gami Trail from a Department of Transportation wayside rest on Trunk Highway 61 at Cutface Creek to the existing trail terminus on the west edge of Grand Marais;

(6) \$1,500,000 is to acquire land and develop an approximately five mile spur from the Glacial Lakes Trail through New London and into Sibley State Park, including a separated grade crossing of Trunk Highway 71;

(7) \$650,000 is to acquire land and develop a portion of the Goodhue Pioneer Trail;

(8) \$3,100,000 is to design, develop, and complete the Heartland Trail from Detroit Lakes to Frazee, and to predesign the trail between Moorhead and Hawley. Any remaining portion of this amount may be used to fund the design and completion of other sections of the Heartland Trail, including from Park Rapids to Itasca State Park or from Hawley to Detroit Lakes;

(9) \$2,000,000 is to pave approximately 28.5 miles of the Luce Line Trail from the Carver-McLeod County border to Cedar Mills in Meeker County;

(10) \$550,000 is to acquire land and develop the Mill Towns Trail segment from Faribault to Dundas;

(11) \$400,000 is for the Minnesota River Trail between Mankato and St. Peter, and connections to the Sakatah Singing Hills State Trail and the Red Jacket Trail in Mankato;

(12) \$2,500,000 is to develop the Minnesota Valley Trail from the Bloomington Ferry Bridge to the Minnesota Valley Wildlife Refuge Visitor Center in Bloomington; and

(13) \$2,500,000 is to acquire land and develop approximately 11 miles of the Shooting Star Trail from Rose Creek to Austin.

The commissioner may allocate money not needed to complete a project listed in this section to another project listed in this section that may need additional money to be completed. For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may reallocate that project's money to another state trail project described in this section or other state trail infrastructure. The chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Subd. 9. Aquatic Management Area Acquisition and Development 1,000,000

To acquire land in fee for aquatic management area purposes and for improvements of a capital nature to develop, protect, or improve habitat and facilities on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 14.

Subd. 10. Central Minnesota Regional Parks 500,000

For a grant to the city of Sartell to acquire up to 68 acres of land located along the Sauk River near the confluence of the Mississippi River to serve as part of the Central Minnesota Regional Parks and Trails.

Subd. 11. Fort Snelling Upper Post, Paths 500,000

To design and construct bicycle and pedestrian paths between the Fort Snelling light rail transit station and historic Fort Snelling and the upper post area.

Subd. 12. Fountain Lake Restoration 7,500,000

For a grant to the Shell Rock River Watershed District for sediment removal and cleanup of Fountain Lake, including engineering, design, permitting, and land acquisition for deposit of removed sediment.

Subd. 13. State Forest Campground Connection to Sewer System

The commissioner must provide for the state forest campground in Kabetogama Township to be connected to a public sewage treatment system within the Voyageurs National Park Clean Water Joint Powers Board's jurisdiction, when one is constructed and operational.

Subd. 14. Unspent Appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 8. POLLUTION CONTROL AGENCY \$2,625,000

To the Pollution Control Agency for a solid waste capital assistance grant under Minnesota Statutes, section 115A.54, to Becker County to design and construct a waste transfer facility and

a material recovery facility. This amount includes 75 percent of the cost of the transfer station and 50 percent of the cost of a material recovery facility. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed from nonstate sources.

Sec. 9. **BOARD OF WATER AND SOIL RESOURCES**

Subdivision 1. **Total Appropriation**

\$25,400,000

To the Board of Water and Soil Resources for the purposes specified in this section.

Subd. 2. **Reinvest in Minnesota (RIM) Reserve Program**

19,600,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

(b) The board shall give priority to leveraging federal funds by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements.

(c) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Of this appropriation, up to five percent may be used for restoration and enhancement.

Subd. 3. **Local Government Roads Wetland Replacement Program**

5,400,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the U.S. Army Corps of Engineers under Section 404 of the Clean Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Sec. 10. **MINNESOTA ZOOLOGICAL GARDENS****Subdivision 1. Total Appropriation****\$7,000,000**

To the Minnesota Zoological Garden Board for the purposes specified in this section.

Subd. 2. Discovery Bay Renovation**3,000,000**

To complete renovation of Discovery Bay to permit the opening of a new marine exhibit.

Subd. 3. Asset Preservation**4,000,000**

For capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 11. **ADMINISTRATION****Subdivision 1. Total Appropriation****\$1,700,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Capital Asset Preservation and Replacement Account**1,000,000**

To be spent in accordance with Minnesota Statutes, section 16A.632.

Subd. 3. Minnesota Hmong-Lao Veterans Memorial**450,000**

To complete design of and construct a memorial in the Capitol Area to honor all Hmong-Lao veterans of the war in Laos who were allied with the American forces during the Vietnam War. This appropriation is not available until the commissioner of management and budget has determined that at least \$100,000 has been committed to the project from nonstate sources. Nonstate funds provided for this project may also be used to fund only its proportional share of new sidewalks leading to monuments in the Capitol Area.

Subd. 4. Minnesota Workers Memorial**250,000**

For capital improvements to the Minnesota Workers Memorial on the grounds of the State Capitol.

Sec. 12. **MINNESOTA AMATEUR SPORTS COMMISSION****Subdivision 1. Total Appropriation****\$8,723,000**

To the Minnesota Amateur Sports Commission for the purposes specified in this section.

Subd. 2. Southwest Regional Amateur Sports Center4,298,000

For a grant to the city of Marshall to acquire land and prepare a site for, and to predesign, design, construct, furnish, and equip the Southwest Regional Amateur Sports Center in Marshall. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 3. National Sports Center Expansion3,950,000

To acquire land and prepare a site for and to design, construct, and equip parking lots, roads, athletic fields, and other infrastructure necessary for expansion of tournament fields at the National Sports Center in Blaine.

Subd. 4. Asset Preservation475,000

For asset preservation improvements and betterments of a capital nature at the National Sports Center in Blaine, to be spent in accordance with Minnesota Statutes, section 16B.307, including life safety improvements, emergency roof and wall repair, and to replace lighting systems on the National Sports Center campus.

Sec. 13. PUBLIC SAFETY**Subdivision 1. Total Appropriation****\$3,260,000**

To the commissioner of public safety for the purposes specified in this section.

Subd. 2. Cottage Grove - HERO Center1,460,000

For a grant to the city of Cottage Grove to predesign and design a Health and Emergency Response Occupations (HERO) Center at 12600 Ravine Parkway in Cottage Grove. This appropriation is not available until the commissioner of management and budget determines that the cities of Cottage Grove and Woodbury and the Board of Trustees of the Minnesota State Colleges and Universities have entered into an agreement for operation and management of the center, and that at least an equal amount is committed to the project from nonstate sources.

Subd. 3. Maplewood - East Metro Public Safety Training Center1,800,000

For a grant to the city of Maplewood to complete the second half of the critical Class A burn building; construct the simulation/training building and related site work; purchase and install two additional gas-fired burn equipment props; and install site training equipment, props, and burn room liners for the East

Metro Public Safety Training Center located in the city of Maplewood. This appropriation does not require any additional contributions from nonstate sources.

Sec. 14. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation**

\$3,244,000

To the adjutant general for the purposes specified in this section.

Subd. 2. **Asset Preservation**

2,000,000

For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307, including life safety improvements, correcting code deficiencies, and federal Americans with Disabilities Act (ADA) compliance activities. The adjutant general may also use these funds to expand the military parking lot at the armory in Owatonna.

Subd. 3. **Brooklyn Park Armory**

1,244,000

To renovate existing space, furnish, and equip the Brooklyn Park Armory. This appropriation may also be used to construct an addition to the armory if sufficient federal funds are committed to the project.

Sec. 15. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**

\$56,895,000

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. **Local Bridge Replacement and Rehabilitation**

21,750,000

This appropriation is from the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50. To the extent practicable, the commissioner shall expend the funds as provided under Minnesota Statutes, section 174.50, subdivision 6a, 6b, or 6c.

\$11,750,000 of this appropriation is for a grant to Hennepin County to rehabilitate the Franklin Avenue Bridge. This appropriation is not available until the commissioner of management and budget determines that at least \$16,500,000 is committed to the project from nonstate sources.

Subd. 3. Local Road Improvement Fund Grants18,345,000

This appropriation is from the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

This appropriation includes funding for the following projects:

(1) a grant to the city of Richfield for the 77th Street underpass project;

(2) a grant to Anoka County for the U.S. Highway 10 and County State-Aid Highway 83 (Armstrong Boulevard) project; and

(3) a grant to Ramsey County for the road improvements related to the Twin Cities Army Ammunition Plant redevelopment project.

Subd. 4. Greater Minnesota Transit1,350,000

For capital assistance for greater Minnesota transit systems to be used for transit capital facilities under Minnesota Statutes, section 174.24, subdivision 3c. Money from this appropriation may be used to pay up to 80 percent of the nonfederal share of these facilities. Of this appropriation:

(1) \$1,100,000 is for a grant to the St. Cloud Metropolitan Transit Commission for phase I of the metro bus operations center vehicle storage addition and improvements project; and

(2) \$250,000 is for a grant to the Kandiyohi Area Transit Joint Powers Board for an additional bus storage garage in Willmar.

Subd. 5. Willmar District Headquarters4,370,000

This appropriation is from the trunk highway fund to complete the Willmar headquarters and is added to the appropriation in Laws 2012, chapter 287, article 1, section 1, subdivision 2.

Subd. 6. Little Falls Truck Station3,580,000

This appropriation is from the trunk highway fund to complete the Little Falls truck station and is added to the appropriation in Laws 2010, chapter 189, section 15, subdivision 15.

Subd. 7. Safe Routes to School1,500,000For grants under Minnesota Statutes, section 174.40.**Subd. 8. Port Development Assistance**6,000,000For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.**Sec. 16. METROPOLITAN COUNCIL****Subdivision 1. Total Appropriation****\$24,500,000**To the Metropolitan Council for the purposes specified in this section.**Subd. 2. Metropolitan Regional Parks and Trails Capital Improvements**9,000,000For the cost of improvements and betterments of a capital nature and acquisition 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 473.147. This appropriation must not be used to purchase easements.**Subd. 3. Metropolitan Cities Inflow and Infiltration Grants**1,000,000For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of their allowable council-determined inflow and infiltration limits. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.**Subd. 4. Inver Grove Heights - Heritage Village Park**3,500,000For a grant to the city of Inver Grove Heights for public infrastructure improvements and land acquisition in and adjacent to the Heritage Village Park, the Mississippi River Trail, and the

Rock Island Swing Bridge. These improvements will include but are not limited to motor vehicle access, utility service, stormwater treatment, and trail and sidewalk connections. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 5. **Fridley - Springbrook Nature Center**

5,500,000

For a grant to the city of Fridley to predesign, design, construct, furnish, and equip the redevelopment and expansion of the Springbrook Nature Center. A nonstate match is not required.

Subd. 6. **St. Paul - Bruce Vento Nature Sanctuary Cultural Center**

3,500,000

For a grant to the city of St. Paul to predesign, design, renovate, furnish, and equip the areas of the vacant four-story warehouse building at the Bruce Vento Nature Sanctuary in St. Paul that will be used for uses and programs that the city determines meet regional and city public and park purposes requirements. The city may enter into a lease or management agreement under Minnesota Statutes, section 16A.695, to operate the programs in the center. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from nonstate sources.

Subd. 7. **Washington County - Hastings Bridge Trail Connection**

2,000,000

For a grant to Washington County to design and construct trail bridges and related trails that connect the regional trail systems of Washington County and Dakota County.

Sec. 17. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation**

\$58,787,000

To the commissioner of administration, or another named agency, for the purposes specified in this section.

Subd. 2. **Minnesota Security Hospital - St. Peter**

41,317,000

To design and perform asbestos and hazardous materials abatement and demolition; to complete the design of, and to construct, furnish, and equip the first phase of a two-phase project to remodel existing, and to develop new, residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center. This appropriation includes funding to design the second phase of the project. Upon substantial completion of the first phase of this

project, any unspent portion of this appropriation is available to design, perform asbestos and hazardous materials abatement, perform demolition, and to construct, renovate, furnish, and equip the second phase.

Subd. 3. Asset Preservation

3,000,000

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 4. Early Childhood Learning and Child Protection Facilities

10,000,000

To the commissioner of human services for grants under Minnesota Statutes, section 256E.37, to construct and rehabilitate early childhood learning and child protection facilities. Notwithstanding the limits on grant amounts in Minnesota Statutes, section 256E.37, a grant from this appropriation for an individual facility may be for up to \$1,000,000.

Notwithstanding the limitations on grant amounts in Minnesota Statutes, section 256E.37, \$5,000,000 of this appropriation is for a grant to Hennepin County to predesign, design, renovate, furnish, and equip the early childhood center at the YWCA of Minneapolis, subject to Minnesota Statutes, section 16A.695. The grant to Hennepin County is not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from nonstate sources.

Subd. 5. Maplewood - Harriet Tubman Center East

720,000

For a grant to the city of Maplewood to complete renovation of and equip Harriet Tubman Center East to be used as a regional collaborative service center that includes a shelter for victims of violence and exploitation and their children, legal services, youth programs, mental and chemical health services, and community education. This appropriation does not require any nonstate match and is added to the appropriation in Laws 2012, chapter 293, section 18, subdivision 3, for the same purposes.

Subd. 6. Hennepin County - St. David's Center for Child and Family Development

3,750,000

To the commissioner of human services for a grant to Hennepin County to acquire land for and to predesign, design, construct, furnish, and equip the expansion and renovation of the St. David's Center for Child and Family Development, subject to Minnesota Statutes, section 16A.695. The center must be used to promote the public welfare by providing early childhood education and respite care, children's mental health services, pediatric rehabilitative

therapies for children with special needs, support services for persons with disabilities, foster care placement, and other interventions for children who are at risk for poor developmental outcomes or maltreatment. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been expended or committed to the project from nonstate sources. Nonstate money spent on the project since January 1, 2011, shall be included in the determination of nonstate commitments to the project.

Sec. 18. **VETERANS AFFAIRS**

Subdivision 1. Total Appropriation

\$3,423,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

408,000

For asset preservation improvements and betterments of a capital nature at veterans affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minneapolis Deep Tunnel

730,000

To complete the design of and perform repairs to stabilize the structural integrity of and waterproof the deep tunnel on the Minneapolis Veterans Home campus. These funds may be used for asbestos and hazardous materials abatement related to this project.

Subd. 4. Residents Rooms Renovation

1,840,000

To complete the design of and perform improvements to resident rooms and renovation of the nursing station in the Luverne Veterans Home and to complete the design of and renovate resident bathrooms in the Silver Bay Veterans Home. These funds may be used for asbestos and hazardous materials abatement related to this project.

Subd. 5. New Storage Building, Luverne

120,000

To construct a new storage building in Luverne to house seasonal equipment and excess supplies.

Subd. 6. Edina - All Veterans Memorial

225,000

For a grant to the city of Edina to design and construct the All Veterans Memorial in the city of Edina, in accordance with Minnesota Statutes, section 416.01. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 7. North St. Paul - Veterans Memorial100,000

For a grant to the city of North St. Paul to design and construct a memorial to those who have served or are presently in the military of the United States of America and those who have died while in the line of duty. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 19. CORRECTIONS**Subdivision 1. Total Appropriation****\$25,381,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation2,000,000

For asset preservation improvements and betterments of a capital nature at Minnesota correctional facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minnesota Correctional Facility - Shakopee5,381,000

To design, construct, and equip a perimeter security fence at the Minnesota Correctional Facility - Shakopee.

Subd. 4. Minnesota Correctional Facility - St. Cloud18,000,000

To design, construct, furnish, and equip phase one of a new health services unit, a new service corridor and security station leading to the unit, and a mechanical building to serve the new health unit and associated utility infrastructure systems and site work; and to design phase two consisting of new intake, warehouse, and loading dock buildings associated utility infrastructure systems and sitework and all associated repurposing, including asbestos and hazardous materials abatement of interior spaces that were formally used for the occupancies being moved to the new phase one and two buildings at the Minnesota Correctional Facility in St. Cloud.

Subd. 5. Unspent Appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307, at the same correctional facility as the project for which the original appropriation was made. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 20. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. Total Appropriation

\$9,950,000

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. Innovative Business Development Public Infrastructure Grants

500,000

For grants under Minnesota Statutes, section 116J.435.

Subd. 3. Public Building Accessibility Grants

450,000

For grants under new Minnesota Statutes, section 116J.434.

Subd. 4. St. Paul - Minnesota Public Media Commons

9,000,000

For a grant to the city of St. Paul to renovate the Twin Cities Public Television Building in downtown St. Paul. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Sec. 21. **PUBLIC FACILITIES AUTHORITY**

Subdivision 1. Total Appropriation

\$45,067,000

To the Public Facilities Authority for the purposes specified in this section.

Subd. 2. State Match for Federal Grants

12,000,000

To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081. This appropriation must be used for qualified capital projects.

Subd. 3. Wastewater Infrastructure Funding Program

20,000,000

For grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

Subd. 4. Big Lake Area Sanitary District

4,500,000

For a grant to the Big Lake Area Sanitary District to acquire land for and to predesign, design, and construct a pressure sewer system and force main to convey sewage to the Western Lake Superior Sanitary District connection in the city of Cloquet. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from nonstate sources.

Subd. 5. Voyageurs National Park Clean Water Joint Powers Board

8,567,000

(a) \$750,000 is for a grant to the Crane Lake Water and Sanitary District to acquire land for and to predesign, design, and construct a new sanitary sewer collection system and to expand the existing systems. The project will include a sewer extension to the Handberg Resort, public landing, and any associated work in Area T of the Crane Lake Water and Sanitary District comprehensive plan, including any necessary road work. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from nonstate sources.

(b) \$7,817,000 is for a grant to Koochiching County to acquire land for and to predesign, design, and construct new sanitary sewer collection systems and expand the existing systems in Koochiching County for the Island View sewer project as designated in the November 2013 Voyageurs National Park Clean Water Joint Powers Board Draft Comprehensive Plan. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from nonstate sources.

(c) Any remaining funds from the projects in paragraphs (a) or (b) may be used for the other project or for the Ash River project in St. Louis County or the Kabetogama project in St. Louis County. Funds are not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from nonstate sources.

Sec. 22. MINNESOTA HOUSING FINANCE AGENCY

\$20,000,000

For transfer to the housing development fund to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by the public housing authorities and agencies formed by cities and counties. Public housing authorities receiving a public housing assessment composite score of 80 or above are eligible to receive funding. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Sec. 23. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation

\$12,662,000

To the Minnesota Historical Society for the purposes specified in this section.

Subd. 2. Oliver H. Kelley Farm Historic Site10,562,000

To complete design and to construct, furnish, and equip the renovation of the Oliver H. Kelley Farm Historic Site, including the site's visitor center and other essential visitor services and site operations facilities.

Subd. 3. Historic Sites Asset Preservation1,600,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Subd. 4. Historic Fort Snelling Predesign500,000

For predesign of facilities to support visitor services and history programs at Historic Fort Snelling.

Sec. 24. GRANTS TO POLITICAL SUBDIVISIONS**Subdivision 1. Total Appropriation****\$147,736,000**

To the commissioner of employment and economic development, or another named agency, for the purposes specified in this section.

Subd. 2. Brainerd - Utilities Extension to the Brainerd Lakes Regional Airport6,500,000

For a grant to the city of Brainerd to design, engineer, and construct an extension of water and sanitary sewer service to the Brainerd Lakes Regional Airport and to replace approximately one mile of existing sewer to accommodate flow from the airport.

Subd. 3. Chatfield - Center for the Arts7,985,000

For a grant to the city of Chatfield economic development authority to predesign, design, renovate, construct, furnish, and equip the Chatfield Center for the Arts in the city of Chatfield. The center includes the George H. Potter auditorium, the adjacent 1916 school building, and the land surrounding the structures currently owned by the economic development authority. Money, land and buildings, and in-kind contributions provided to the center before the enactment of this section are considered to be sufficient local match, and no further local match is required.

Subd. 4. Grand Rapids - Independent School District No. 3183,897,000

For a grant to Independent School District No. 318, Grand Rapids, to complete the design of, and to renovate, construct, furnish, and equip, the Myles Reif Center for the Performing Arts. This

appropriation is not available until the commissioner of management and budget determines that at least \$3,347,000 is committed to the project from nonstate sources.

Subd. 5. Lewis and Clark Joint Powers Board

20,000,000

For a grant to the Lewis and Clark Joint Powers Board to acquire land or interests in land for, and to design, engineer, and construct pipeline and other facilities and infrastructure necessary for phase I of the Lewis and Clark Regional Water System project. This appropriation does not require a local match.

Subd. 6. Mankato - Arena and Events Center Auditorium

14,500,000

For a grant to the city of Mankato to design, construct, furnish, and equip an addition to and renovate existing space, and for other improvements of a capital nature to the Minnesota State University Arena and Event Center Auditorium. This appropriation is not available until the commissioner of management and budget determines that at least \$14,500,000 has been committed to the project from nonstate sources. Amounts expended by the city of Mankato for project costs since March 1, 2013, shall count toward the matching requirement.

Subd. 7. Minneapolis - Nicollet Mall

4,500,000

For a grant to the city of Minneapolis to predesign and design the reconstruction of Nicollet Mall and its adjacent and related infrastructure in downtown Minneapolis. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from nonstate sources.

Subd. 8. Range Regional Airport

6,500,000

To the commissioner of transportation for a grant to the Chisholm-Hibbing Airport Authority to demolish the existing terminal, construct, furnish, and equip a new airline passenger terminal, passenger boarding bridge, and associated appurtenances to include, but not limited to, building signage, building security systems, and tying into the adjacent sidewalks, driveway, and aircraft parking apron area at the Range Regional Airport terminal. The airport authority must use American-made steel for this project, unless the airport authority determines that an exception in Public Law 111-5, section 1605, applies. The capital improvements paid for with this appropriation may be used as the local contribution required by Minnesota Statutes, section 360.305, subdivision 4.

Subd. 9. Red Wing - River Renaissance6,000,000

For a grant to the city of Red Wing for the River Renaissance projects, which include reconstruction of deteriorated portions of the Levee Road to segregate pedestrians and bicyclists from motor vehicle traffic; improve underground utilities, surface storm water management, and access points; realignment of the Riverwalk Trail to segregate pedestrians and bicyclists from motor vehicle traffic and connect the trail to the Cannon Valley and Goodhue Pioneer trails; reconstruction of the small boat harbor retaining wall and abutting parking area; construction of new dockage to accommodate larger riverboats; and to predesign, design, construct, furnish, and equip the renovation of the historic Sheldon Theater in Red Wing, subject to Minnesota Statutes, section 16A.695. This grant is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed to it from nonstate sources.

Subd. 10. Rice Lake Township - Water Main Replacement1,168,000

For a grant to Rice Lake Township in St. Louis County to design and construct a replacement water main and related public infrastructure on East Calvary Road and Kolstad, Austin, Milwaukee, Mather, and Chicago Avenues in Rice Lake Township. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 11. Rochester - Mayo Civic Center Complex30,000,000

For a grant to the city of Rochester to design, construct, furnish, and equip the renovation and expansion of the Mayo Civic Center complex and related infrastructure, including but not limited to skyway access, lighting, parking, and landscaping. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources. Amounts expended by the city of Rochester for project costs since July 1, 2013, shall count toward the matching requirement.

Subd. 12. Sandstone - Business Park200,000

For a grant to the city of Sandstone to design and construct necessary public infrastructure to open a planned business park to serve a major tenant in Sandstone, Pine County.

Subd. 13. St. Cloud - River's Edge Convention Center11,560,000

For a grant to the city of St. Cloud to predesign, design, construct, furnish, and equip an expansion of the River's Edge Convention Center, including a parking facility and pedestrian skyway

connection. This appropriation is not available until the commissioner of management and budget determines that at least \$10,100,000 has been committed to the project from nonstate sources. Amounts expended by the city of St. Cloud for project costs since July 1, 2010, shall count toward the matching requirement.

Subd. 14. St. Paul - Minnesota Children's Museum

14,000,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip an expansion and renovation of the Minnesota Children's Museum, subject to Minnesota Statutes, section 16A.695. The expansion and exhibit upgrades should incorporate the latest research on early learning, allow for new state-of-the art education facilities, and increase the capacity of visitors to galleries and programming areas. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed from nonstate sources.

Subd. 15. Truman - Storm Water Project

1,426,000

For a grant to the city of Truman to design, construct, and install new storm water lines to two areas of the city that experience flooding with heavy rain. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 16. Virginia - Highway 53 Utilities Relocation

19,500,000

To the commissioner of transportation for:

(1) a grant to the city of Virginia Public Utilities Commission to acquire land, predesign, design, construct, furnish, and equip relocated storm water, sanitary sewer, water, electrical, and gas utilities along or near the relocated U.S. Highway 53 in Virginia, St. Louis County; and

(2) a grant to the St. Louis and Lake Counties Regional Railroad Authority to acquire land, predesign, design, construct, furnish, and equip trails to handle bicycles, pedestrians, snowmobiles, and ATVs along or near the relocated U.S. Highway 53 in Virginia, St. Louis County.

Sec. 25. BOND SALE EXPENSES

\$860,000

To the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

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 management and budget shall sell and issue bonds of the state in an amount up to \$856,067,000 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 management and budget shall sell and issue bonds of the state in an amount up to \$10,491,000 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 management and budget shall sell and issue bonds of the state in an amount up to \$40,095,000 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. 27. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

Subdivision 1. **2002; BCA headquarters.** \$23,340.68 of the appropriation in Laws 2002, chapter 374, article 11, section 7, subdivision 3, as amended by Laws 2002, chapter 393, section 90, for construction of the Bureau of Criminal Apprehension building in St. Paul, is canceled. The bond sale authorization in Laws 2002, chapter 374, article 11, section 17, is reduced by the same amount.

Subd. 2. **2002; Fergus Falls Regional Treatment Center.** \$4,805 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 6, as amended by Laws 2005, chapter 20, article 1, section 43, and Laws 2013, chapter 136, section 10, for the Fergus Falls Regional Treatment Center, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, is reduced by the same amount.

Subd. 3. **2005; CAAPB.** \$28,600 of the appropriation in Laws 2005, chapter 20, article 1, section 14, subdivision 2, for design of Capitol restoration work, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by the same amount.

Subd. 4. **2005; DHS.** \$3,236 of the appropriation in Laws 2005, chapter 20, article 1, section 20, subdivision 3, as amended by Laws 2006, chapter 258, section 47, and Laws 2013, chapter 136, section 11, for statewide redevelopment, reuse, or demolition of Department of Human Services facilities, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by the same amount.

Subd. 5. **2005; DHS.** \$5,542.15 of the appropriation in Laws 2005, chapter 20, article 1, section 20, subdivision 6, for asset preservation of Department of Human Services facilities, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by the same amount.

Subd. 6. **2005; Veterans Home Board.** \$3,020.50 of the appropriation in Laws 2005, chapter 20, article 1, section 21, subdivision 4, for building 4 remodeling at the Minneapolis Veterans Home, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by the same amount.

Subd. 7. **2006; CAPRA.** \$4,701.25 of the appropriation in Laws 2006, chapter 258, section 12, subdivision 2, for capital asset preservation and replacement, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 8. **2006; asset preservation.** \$11,114.70 of the appropriation in Laws 2006, chapter 258, section 12, subdivision 3, for Department of Administration asset preservation, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 9. **2006; CAAPB.** \$6,927.50 of the appropriation in Laws 2006, chapter 258, section 13, for the Capitol dome and design work, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 10. **2006; local bridges, MnDOT.** \$251,357 of the appropriation in Laws 2006, chapter 258, section 16, subdivision 2, for local bridge replacement and rehabilitation, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 3, is reduced by the same amount.

Subd. 11. **2006; local roads, MnDOT.** \$111,487.69 of the appropriation in Laws 2006, chapter 258, section 16, subdivision 3, for local roads, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 3, is reduced by the same amount.

Subd. 12. **2006; Northeast Minnesota Rail Initiative, MnDOT.** \$5 of the appropriation in Laws 2006, chapter 258, section 16, subdivision 5, as amended by Laws 2008, chapter 179, section 63, Laws 2008, chapter 365, section 14, subdivision 5, and Laws 2011, First Special Session chapter 12, section 29, for the Northeast Minnesota Rail Initiative, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 13. **2006; I-35W BRT.** \$987,142 of the appropriation in Laws 2006, chapter 258, section 17, subdivision 2, for the I-35W bus rapid transitway, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 14. **2006; MSOP.** \$3,062.50 of the appropriation in Laws 2006, chapter 258, section 18, subdivision 3, for the Moose Lake sex offender treatment facility, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 15. **2006; Veterans Home Board.** \$2,600 of the appropriation in Laws 2006, chapter 258, section 19, subdivision 2, for asset preservation at veterans homes, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 16. **2006; Veterans Home Board.** \$1,225 of the appropriation in Laws 2006, chapter 258, section 19, subdivision 3, for the Fergus Falls veterans home, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 17. **2006; Veterans Home Board.** \$110,224.98 of the appropriation in Laws 2006, chapter 258, section 19, subdivision 4, as amended by Laws 2008, chapter 365, section 15, for the Hastings supportive housing, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 18. **2006; Veterans Home Board.** \$18,418.94 of the appropriation in Laws 2006, chapter 258, section 19, subdivision 6, for the Minneapolis veterans home, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 19. **2006; Veterans Home Board.** \$1,300.61 of the appropriation in Laws 2006, chapter 258, section 19, subdivision 7, for the Silver Bay veterans home, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 20. **2007; disaster relief, DPS.** \$53,847.53 of the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 3, subdivision 3, for state and local match, is canceled. The bond sale authorization in Laws 2007, First Special Session chapter 2, article 1, section 15, subdivision 1, is reduced by the same amount.

Subd. 21. **2008; Minnesota State Academies.** \$24,122.31 of the appropriation in Laws 2008, chapter 179, section 5, subdivision 2, for asset preservation, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 22. **2008; administration.** \$1,500 of the appropriation in Laws 2008, chapter 179, section 12, subdivision 2, for purchase of real property, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 23. **2008; administration.** \$14,716.28 of the appropriation in Laws 2008, chapter 179, section 12, subdivision 3, for Capitol renovation, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 24. **2008; urban partnership agreement, Metropolitan Council.** \$45,000 of the appropriation in Laws 2008, chapter 179, section 17, subdivision 2, as amended by Laws 2008, chapter 365, section 21, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 25. **2008; DHS asset preservation.** \$17,532.93 of the appropriation in Laws 2008, chapter 179, section 18, subdivision 2, for asset preservation, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 26. **2008; veterans homes.** \$60,426.34 of the appropriation in Laws 2008, chapter 179, section 19, subdivision 2, for asset preservation, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 27. **2008; veterans homes.** \$8,368.46 of the appropriation in Laws 2008, chapter 179, section 19, subdivision 3, for the Fergus Falls Veterans Home, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 28. **2008; veterans homes.** \$26,191.18 of the appropriation in Laws 2008, chapter 179, section 19, subdivision 4, as amended by Laws 2011, First Special Session chapter 12, section 34, and Laws 2012, chapter 293, section 42, for the Minneapolis Veterans Home, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 29. **2008; corrections.** \$3,083 of the appropriation in Laws 2008, chapter 179, section 20, subdivision 2, for Department of Corrections asset preservation, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 30. **2008; corrections.** \$29,209.49 of the appropriation in Laws 2008, chapter 179, section 20, subdivision 3, for expansion of the Faribault facility, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 31. **2008; corrections.** \$1,178.90 of the appropriation in Laws 2008, chapter 179, section 20, subdivision 4, for a new building at Red Wing, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 32. **2008; DEED.** \$60,186.86 of the appropriation in Laws 2008, chapter 179, section 21, subdivision 4, for redevelopment grants, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 33. **2008; CAPRA.** \$67,037.96 of the appropriation in Laws 2008, chapter 365, section 3, for capital asset preservation and replacement, is canceled. The bond sale authorization in Laws 2008, chapter 365, section 6, is reduced by the same amount.

Subd. 34. **2008; veterans homes.** \$2,139.85 of the appropriation in Laws 2008, chapter 365, section 5, subdivision 2, paragraph (a), as amended by Laws 2010, chapter 189, section 59, for the Minneapolis Veterans Home demolition of building 9, is canceled. The bond sale authorization in Laws 2008, chapter 365, section 6, is reduced by the same amount.

Subd. 35. **2008; veterans homes.** \$118,858.49 of the appropriation in Laws 2008, chapter 365, section 5, subdivision 2, paragraph (b), for the 100-bed nursing facility at the Minneapolis Veterans Home, is canceled. The bond sale authorization in Laws 2008, chapter 365, section 6, is reduced by the same amount.

Subd. 36. **2009; Bigfork Airport.** \$199,627 of the appropriation in Laws 2009, chapter 93, article 1, section 11, subdivision 8, for the Bigfork airport runway, is canceled. The bond sale authorization in Laws 2009, article 1, chapter 93, section 21, subdivision 1, is reduced by the same amount.

Subd. 37. **2010; Perpich Center for Arts Education.** \$6,041.58 of the appropriation in Laws 2010, chapter 189, section 6, subdivision 2, as amended by Laws 2011, First Special Session chapter 12, section 39, for demolition of Alpha Building, is canceled. The bond sale authorization is Laws 2010, chapter 189, section 26, subdivision 1, is reduced by the same amount.

Subd. 38. **2010; Perpich Center for Arts Education.** \$191,154.83 of the appropriation in Laws 2010, chapter 189, section 6, subdivision 3, for windows in the Delta Dormitory, is canceled. The bond sale authorization is Laws 2010, chapter 189, section 26, subdivision 1, is reduced by the same amount.

Subd. 39. **2010; Perpich Center for Arts Education.** \$3,087.98 of the appropriation in Laws 2010, chapter 189, section 6, subdivision 4, as amended by Laws 2011, First Special Session chapter 12, section 40, for a storage building, is canceled. The bond sale authorization is Laws 2010, chapter 189, section 26, subdivision 1, is reduced by the same amount.

Sec. 28. Laws 2013, chapter 136, section 7, is amended to read:

Sec. 7. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2015, no more than ~~\$1,280,165,000~~ \$1,254,063,000 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 management and budget 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. 29. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation in this act is enacted more than once in the 2014 legislative session, the appropriation must be given effect only once.

Sec. 30. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 2
MISCELLANEOUS

Section 1. Minnesota Statutes 2012, section 12A.16, subdivision 5, is amended to read:

Subd. 5. **Waivers authorized.** The requirements of section 174.50, subdivisions 5, ~~6, 6a, and~~ to 7, are waived for grants under subdivision 3.

Sec. 2. Minnesota Statutes 2012, section 16A.641, is amended by adding a subdivision to read:

Subd. 4b. **Negotiated sales authority.** Notwithstanding the public sale requirements of subdivision 4 and section 16A.66, subdivision 2, the commissioner may sell bonds, including refunding bonds, at negotiated sale.

Sec. 3. Minnesota Statutes 2012, section 16A.642, subdivision 1, is amended to read:

Subdivision 1. **Reports.** (a) The commissioner of management and budget shall report to the chairs of the senate Committee on Finance and the house of representatives Committees on Ways and Means and Capital Investment by January 1 of each odd-numbered year on the following:

(1) all laws authorizing the issuance of state bonds, bonds supported by a state appropriation, or appropriating general fund money for state or local government capital investment projects enacted more than four years before January 1 of that odd-numbered year; the projects authorized to be acquired and constructed 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, bonds supported by a state appropriation, or appropriating general fund money for state or local government capital programs or projects other than those described in clause (1), enacted more than four years before January 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.

(c) The reports required by this subdivision shall only contain bond authorizations supported by a state appropriation and their associated general fund appropriations for projects authorized or amended after December 31, 2013.

Sec. 4. Minnesota Statutes 2012, section 16A.642, subdivision 2, is amended to read:

Subd. 2. **Cancellation.** (a) If the commissioner determines that the purposes for which general obligation bonds of the state or bonds supported by a state appropriation 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. Bonds supported by a state appropriation shall only be canceled if they were authorized or amended after December 31, 2013.

(b) If a premium received on the sale of bonds is credited to the bond proceeds fund, pursuant to section 16A.641, subdivision 7, paragraph (b), the corresponding bond authorization to which the premium is attributable must be reduced accordingly by the commissioner.

(c) The commissioner must notify the chairs of the senate Finance Committee and the house of representatives Capital Investment Committee of any bond authorizations, including bond authorizations supported by a state appropriation, or general fund appropriations canceled under this subdivision.

Sec. 5. **[116J.434] PUBLIC BUILDING ACCESSIBILITY GRANT PROGRAM.**

Subdivision 1. **Creation of account.** A public building accessibility account is created in the bond proceeds fund. Money in the account is appropriated to the commissioner for grants under this section.

Subd. 2. **Definitions.** For the purposes of this section:

(1) "accessible" means satisfies the requirements of the State Building Code for accessibility by persons with disabilities;

(2) "eligible project" means predesign, design, acquisition of land or an interest in land, construction, renovation, or other improvement or betterment of a capital nature to make a building or facility owned by a local government unit accessible or improve its accessibility;

(3) "governing body" means the county board of commissioners, city council, or town board of supervisors; and

(4) "local government unit" means a county, statutory or home rule charter city, or town.

Subd. 3. **Grant program established.** The commissioner shall make grants to local government units on a first-come, first-served basis for eligible projects.

Subd. 4. **Application.** A local government unit seeking a grant under this section must apply to the commissioner in the form and manner determined by the commissioner. The application must include:

(1) a resolution of the governing body requesting the grant and stating that the local government unit has or will have in a timely manner the required nonstate contribution necessary to complete the project;

(2) a detailed description of the project and cost estimate, along with necessary supporting evidence; and

(3) any other information the commissioner determines is necessary or useful.

Subd. 5. **Maximum grant amount; match.** A local unit of government must not be awarded in aggregate more than \$150,000, whether for one or more projects in one or more years. The local government unit awarded a grant under this section must provide at least an equal amount from nonstate sources which may include contributions made before the grant is awarded.

Sec. 6. Minnesota Statutes 2012, section 134.45, subdivision 5b, is amended to read:

Subd. 5b. **Qualification; improvement grants.** A public library jurisdiction may apply for a grant in an amount up to \$1,000,000 or 50 percent, whichever is less, of the approved costs of renovating or expanding an existing library building, or to construct a new library building. Renovation may include remediation of conditions hazardous to health or safety.

Sec. 7. Minnesota Statutes 2012, section 135A.034, subdivision 2, is amended to read:

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.

The criteria listed in this subdivision are not in priority order.

Sec. 8. Minnesota Statutes 2012, section 174.50, subdivision 6b, is amended to read:

Subd. 6b. **Bridge engineering and design costs in smaller cities.** ~~Until June 30, 2007, (a)~~ The commissioner may make grants from the state transportation fund to a home rule or statutory city with a population of 5,000 or less ~~and a net tax capacity of under \$200,000 for design and preliminary~~, engineering, and construction of bridges on city streets.

(b) Grants under this subdivision are subject to the procedures and criteria established under subdivisions 5 and 6, and 7.

(c) Grants may be used for:

- (1) 100 percent of the design and preliminary engineering costs that are in excess of \$10,000;
- (2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and
- (3) 100 percent of the bridge construction work costs.

~~Total grants under this subdivision to all cities may not exceed \$200,000.~~

Sec. 9. Minnesota Statutes 2012, section 174.50, subdivision 7, is amended to read:

Subd. 7. **Bridge grant program requirements; rulemaking.** (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions.

(b) The maximum use of standardized bridges is encouraged. Regardless of the size of the existing bridge, a bridge or replacement bridge is eligible for assistance from the state transportation fund if a hydrological survey indicates that the bridge or replacement bridge must be ten feet or more in length.

(c) As part of the standards or rules, the commissioner shall, in consultation with local road authorities, establish a minimum distance between any two bridges that cross over the same river, stream, or waterway, so that only one of the bridges is eligible for a grant under this section. As appropriate, the commissioner may establish exceptions from the minimum distance requirement or procedures for obtaining a variance.

(d) Political subdivisions may use grants made under this section to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs to abandon an existing bridge that is deficient and in need of replacement but where no replacement will be made; and

(3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge if the commissioner determines that the bridge is deficient, and that construction of the road or street is more economical than replacement of the existing bridge.

(e) Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the Minnesota Constitution.

Sec. 10. Minnesota Statutes 2012, section 174.52, subdivision 3, is amended to read:

Subd. 3. **Advisory committee.** (a) The commissioner shall establish ~~an~~ a local road improvement program advisory committee consisting of five members, including:

(1) one county commissioner;

(2) one county engineer;

(3) one city engineer;

(4) one city council member or city administrator representing a city with a population over 5,000; and

(5) one city council member or city administrator representing a city with a population under 5,000.

(b) The advisory committee shall provide recommendations to the commissioner regarding expenditures from the ~~trunk highway corridor projects account~~ accounts established in this section.

~~(b)~~ (c) Notwithstanding section 15.059, subdivision 5, the committee does not expire.

Sec. 11. Laws 2008, chapter 179, section 16, subdivision 5, is amended to read:

Subd. 5. Minnesota Valley Railroad Track Rehabilitation

3,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate a portion of railroad track from Norwood-Young America to Hanley Falls. The grant under this subdivision may also be used for predesign, design, engineering, and rehabilitation or replacement of bridges with new bridges or culverts between Norwood-Young America and Hanley Falls. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization for this project and appropriation of bond proceeds in this subdivision are available until December 31, 2015. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Sec. 12. Laws 2009, chapter 93, article 1, section 11, subdivision 4, is amended to read:

Subd. 4. Minnesota Valley Railroad Track Rehabilitation

4,000,000

For a grant to the Minnesota Valley Regional Railroad Authority to rehabilitate up to 95 miles of railroad track from Norwood-Young America to Hanley Falls. The grant under this subdivision may also be used for predesign, design, engineering, and rehabilitation or replacement of bridges with new bridges or culverts between Norwood-Young America and Hanley Falls. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization for this project and appropriation of bond proceeds in this subdivision are available until December 31, 2015. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Sec. 13. Laws 2010, chapter 189, section 15, subdivision 5, is amended to read:

Subd. 5. Minnesota Valley Railroad Track Rehabilitation

5,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate and make capital improvements to railroad track from east of Gaylord to Winthrop. The grant under this subdivision may also be used for predesign, design, engineering, and rehabilitation or replacement of bridges with new bridges or culverts between Gaylord and Winthrop. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization for this project and appropriation of bond proceeds in this subdivision are available until December 31, 2015. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Sec. 14. Laws 2010, chapter 189, section 21, subdivision 11, is amended to read:

Subd. 11. **Minneapolis - Orchestra Hall**

16,000,000

For a grant to the city of Minneapolis to predesign, design, construct, furnish, and equip the renovation of Orchestra Hall at its current downtown Minneapolis location, including \$2,000,000 for Peavey Plaza. The city of Minneapolis may operate a performing arts center and adjacent property for public recreation and may enter into a lease or management agreement for the improved facilities, subject to Minnesota Statutes, section 16A.695. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the Peavey Plaza project are available until December 31, 2018.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Sec. 15. Laws 2012, First Special Session chapter 1, article 1, section 9, subdivision 3, is amended to read:

Subd. 3. **Flood Hazard Mitigation, Stream Restoration Grants**

10,000,000

(a) For the purposes specified in Minnesota Statutes, section 12A.12, subdivision 2. Funds may be used to acquire or relocate structures damaged or threatened by the impacts resulting from the rain storm and are also available for the local share of acquisition and relocation flood mitigation projects. Of this appropriation, \$9,000,000 is from the bond proceeds fund and \$1,000,000 is from the general fund.

(b) This appropriation may also be used for stream restoration projects in the area included in DR-4069.

Sec. 16. Laws 2012, First Special Session chapter 1, article 2, section 4, subdivision 2, is amended to read:

Subd. 2. **Reforestation**

994,000

From the bond proceeds fund for reforestation of lands damaged by natural causes under Minnesota Statutes, section 89.002. Money appropriated in this section may be used to pay state agency staff costs that are attributed directly to the capital program. This appropriation may also be used for reforestation in the area included in the 2011 declared disaster area, DR-4009.

Sec. 17. Laws 2013, chapter 136, section 4, is amended to read:

Sec. 4. **VETERANS AFFAIRS**

\$18,935,000

(a) Of this amount, up to \$1,750,000 is to the commissioner of administration to: (1) construct a new distribution and service tunnel to serve Buildings 17 north and 18 and the future Building

17 south; and (2) construct steam and electrical connections, related infrastructure, site work, a canopy with vestibule, and required modifications to Building 18 drop-off and entry. This appropriation is not available until the commissioner of management and budget has determined that at least \$5,000,000 has been committed from federal sources. Any unused funds may be used under paragraph (b).

(b) The remainder of this amount is to the commissioner of administration to complete the design of, perform hazardous materials abatement for, and demolish the south wing of Building 17 and adjoining buildings, ~~and~~ design, reconstruct, and furnish the new south wing of Building 17 and adjoining buildings as a new skilled nursing building; construct a new distribution and service tunnel to serve buildings 6, ~~17 north, and~~ 19, and the future 17 south; and design, construct, and equip a network and server room, including installation of new fiber optic lines. This appropriation is not available until the commissioner of management and budget has determined that the funds to complete this work have been committed from federal sources.

Sec. 18. **EAST METRO INTEGRATION DISTRICT, PROPERTY CONVEYANCE.**

Subdivision 1. **Harambee.** Notwithstanding the appropriations of state general obligation bond proceeds in Laws 1994, chapter 643, section 14, subdivision 7, to Joint Powers District No. 6067, East Metro Integration District, to acquire and better the Harambee community school, in Maplewood, the real and personal property of the Harambee school may be conveyed to Independent School District No. 623, Roseville, for operation of a multidistrict integration facility that serves students in any grade from early education through grade 12.

Subd. 2. **Crosswinds.** Notwithstanding the appropriation of state general obligation bond proceeds in Laws 1998, chapter 404, section 5, subdivision 5; Laws 1999, chapter 240, article 1, section 3; Laws 2000, chapter 492, article 1, section 5, subdivision 2; Laws 2001, First Special Session chapter 12, section 2, subdivision 2; and Laws 2005, chapter 20, article 1, section 5, subdivision 3, to acquire and better the Crosswinds school facilities by the Joint Powers District No. 6067, East Metro Integration District, in Woodbury, the Crosswinds school may be conveyed to the Perpich Center for Arts Education for use as an east metropolitan area integration magnet school.

Sec. 19. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the headnote for Minnesota Statutes, section 134.45, to "LIBRARY CONSTRUCTION GRANTS."

Sec. 20. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the use of negotiated sales; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2012, sections 12A.16,

subdivision 5; 16A.641, by adding a subdivision; 16A.642, subdivisions 1, 2; 134.45, subdivision 5b; 135A.034, subdivision 2; 174.50, subdivisions 6b, 7; 174.52, subdivision 3; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, sections 15, subdivision 5; 21, subdivision 11; Laws 2012, First Special Session chapter 1, article 1, section 9, subdivision 3; article 2, section 4, subdivision 2; Laws 2013, chapter 136, sections 4; 7; proposing coding for new law in Minnesota Statutes, chapter 116J."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Hausman from the Committee on Capital Investment to which was referred:

H. F. No. 2491, A bill for an act relating to capital investment; appropriating money for higher education asset preservation and replacement (HEAPR) at the University of Minnesota; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Page 1, line 7, before "\$100,000,000" insert "(a)"

Page 1, after line 9, insert:

"(b) \$100,000,000 is appropriated from the bond proceeds fund to the Board of Trustees of the Minnesota State Colleges and Universities to be spent in accordance with Minnesota Statutes, section 135A.046."

Page 1, line 12, delete "\$100,000,000" and insert "\$200,000,000"

Amend the title as follows:

Page 1, line 3, after "Minnesota" insert "and Minnesota State Colleges and Universities"

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Carlson from the Committee on Ways and Means to which was referred:

H. F. No. 2536, A bill for an act relating to economic development; providing for the Women's Economic Security Act; modifying workforce development provisions; modifying eligibility for unemployment benefits; creating women in high-wage, high-demand, nontraditional jobs grant program; offering women entrepreneurs business development competitive grants; modifying pregnancy and parenting leave and accommodations; providing employment protections for women and family caregivers; protecting wage disclosure; appropriating money; amending Minnesota Statutes 2012, sections 181.939; 181.940, subdivision 2; 181.941; 181.943; 268.095, subdivisions 1, 6; 363A.03, by adding a subdivision; 363A.08, subdivisions 1, 2, 3, 4, by adding subdivisions; Minnesota Statutes 2013 Supplement, section 116L.665, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 116L; 181.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"Section 1. Minnesota Statutes 2012, section 13.552, is amended by adding a subdivision to read:

Subd. 7. **Equal pay certificate of compliance.** Access to data relating to equal pay certificates of compliance is governed by section 363A.44."

Page 8, after line 24, insert:

"Sec. 6. **[363A.44] EQUAL PAY CERTIFICATE OF COMPLIANCE.**

Subdivision 1. **Scope.** No department or agency of the state may execute a contract in excess of \$500,000 with a business that has 50 or more full-time employees in this state or a state where the business has its primary place of business on a single working day during the previous 12 months unless the business has an equal pay certificate of compliance. For purposes of this section, a business does not include an entity or a parent or subsidiary of the entity with a contract with a department or agency of the state if the entity has a license, certification, registration, provider agreement, or provider enrollment contract which are a prerequisite to receive reimbursement for providing goods and services to individuals under chapters 43A, 62A, 62C, 62D, 62E, 256B, 256I, and 256L. The commissioner shall issue an equal pay certificate of compliance to a business that submits to the commissioner a statement that:

(1) its compensation policies or practices are based on the principle of equal pay for equal work, and are in compliance with title VII of the Civil Rights Act of 1964, the Equal Pay Act of 1963, the Minnesota Human Rights Act, and the Minnesota Equal Pay for Equal Work Law;

(2) its wage schedules and other compensation formulas are not related to, or based on, the sex of its employees;

(3) it does not restrict employees of one sex to certain job classifications and makes retention and promotion of qualified employees without regard to sex;

(4) its contributions to insurance, pensions, and other benefit plans are not related to, or based on, the sex of its employees; and

(5) the average compensation for its female employees is not consistently below the average compensation for its male employees within each of the major job categories in the EEO-1 employee information report for which an employee is expected to perform work under the contract, taking into account factors such as length of service, requirements of specific jobs, experience, skill, effort, responsibility, working conditions of the job, or other mitigating factors.

Subd. 2. **Application; issuance; duration.** A business applying for a certificate of compliance must pay a \$150 fee to the commissioner. The commissioner must issue a business an equal pay certificate of compliance, or a statement of why the application was rejected, within 15 days of receipt of the application and the filing fee. An equal pay certificate of compliance is valid for four years. Proceeds of the filing fee are appropriated to the commissioner for purposes of this section.

Subd. 3. **Conditions; audit.** (a) As a condition of receiving an equal pay certificate of compliance, and as a condition of the contract that is subject to this section, a business must agree that:

(1) the commissioner may audit the business's compliance with this section; and

(2) the commissioner or the agency entering into the contract may void a contract if the commissioner determines that the business is not in compliance with items specified in subdivision 1, clauses (1) to (5).

(b) As a condition of receiving an equal pay certificate of compliance, and as a condition of the contract that is subject to this section, a business must agree that as part of an audit, the business will provide the commissioner the following information with respect to employees expected to perform work under the contract in each of the major job categories in the EEO-1 employee information report:

(1) number of male employees;

(2) number of female employees;

(3) average annualized salaries paid to male employees and to female employees, in the manner most consistent with the employer's compensation system, within each major job category;

(4) information on performance payments, benefits, or other elements of compensation, in the manner most consistent with the employer's compensation system, if requested by the commissioner as part of a determination as to whether these elements of compensation are different for male and female employees;

(5) average length of service for male and female employees in each major job category; and

(6) other information identified by the business or by the commissioner, as needed, to determine compliance with items specified in subdivision 1, clauses (1) to (5).

Subd. 4. **Compliance plan; revocation of certificate.** If the commissioner determines that a business that has an equal pay certificate of compliance is not in compliance with subdivision 1, clauses (1) to (5), the commissioner may require the business to implement a plan to remedy the noncompliance with subdivision 1, clauses (1) to (5), as a condition of retaining its certificate of compliance. The commissioner may suspend or revoke a certificate if the commissioner determines that the business is not in compliance with items specified in subdivision 1, clauses (1) to (5), and is failing to implement its plan to remedy noncompliance.

Subd. 5. **Voiding of contract.** Prior to taking action to void a contract, the commissioner must first demonstrate that no undue hardship would occur to the state and that obtaining wages and benefits due to employees of the business is an insufficient remedy. Multiple violations of the laws set forth in subdivision 1, clause (1), or a determination of deliberate intent to violate these laws by the certificate holder may be sufficient justification for the commissioner to void a contract.

Subd. 6. **Administrative review.** A business may obtain a hearing when the commissioner issues an order directing a contract voided or an equal pay certificate of compliance revoked by filing a written request for a hearing with the department within 20 days after service of the notice of sanction. The hearing shall be a contested case proceeding pursuant to sections 14.57 to 14.69.

Subd. 7. **Technical assistance.** The commissioner must provide technical assistance to any business that requests assistance.

Subd. 8. **Access to data.** Data submitted to the commissioner by a business for purposes of obtaining a certificate of compliance under this section, or in response to an audit under this section, are private data on individuals or nonpublic data with respect to persons other than Department of Human Rights employees. The commissioner's decision to grant, not grant, revoke, or suspend a certificate of compliance is public data.

EFFECTIVE DATE. This section is effective August 1, 2014, and applies to a contract for which a state department or agency issues a solicitation on or after that date."

Page 8, line 31, after the period, insert "This is a onetime appropriation."

Page 9, line 3, delete "Arrowhead Economic Opportunity Agency" and insert "Women's Business Center of Northeastern Minnesota at the Northeast Entrepreneurial Fund"

Page 9, line 4, after "businesses" insert "in Minnesota"

Page 9, after line 28, insert:

"(e) The Women's Business Center of Northeastern Minnesota shall partner with the Arrowhead Economic Opportunity Agency to provide entrepreneurial development training and resources to women with incomes less than 200 percent of the federal poverty guideline, adjusted for a family size of four, to assist with the start-up or expansion of eligible women-owned businesses."

Page 9, line 35, after the period, insert "This is a onetime appropriation."

Page 9, after line 35, insert:

"Sec. 10. **REPORT; RETIREMENT SAVINGS PLAN.**

(a) The commissioner of management and budget must report to the legislature by January 15, 2015, on the potential for a state-administered retirement savings plan to serve employees without access to either an automatic enrollment payroll deduction IRA maintained or offered by their employer, or a multiemployer retirement plan or qualifying retirement plan or arrangement described in sections 414(f) and 219(g)(5), respectively, of the Internal Revenue Code of 1986, as amended through April 14, 2011. The potential state-administered plan would provide for individuals to make contributions to their own accounts to be pooled and invested by the State Board of Investment, with the benefit consisting of the balance in each individual's account, and with the state having no liability for investment earnings and losses, while discouraging employers from dropping existing retirement plan options.

(b) The report must include:

(1) estimates of the number of Minnesota workers who could be served by the potential state-administered plan, and the participation rate that would make the plan self-sustaining;

(2) the effect of federal tax laws and the federal Employee Retirement Income Security Act on a potential state-administered plan and on participating employers and employees, including coverage and potential gaps in consumer protections;

(3) the potential use and availability of investment strategies, private insurance, underwriting, or reinsurance against loss to limit or eliminate potential state liability and manage risk to the principal;

(4) options for the process by which individuals would enroll in and contribute to the plan;

(5) projected costs of administration, record keeping, and investment management, including staffing, legal, compliance, licensing, procurement, communications with employers and employees, oversight, marketing, technology and infrastructure, and the fee needed to cover these costs as a percentage of the average daily net assets of the potential state-administered plan, relative to asset size, with estimates of investment-related fees determined in consultation with the State Board of Investment; and

(6) a comparison of a potential state-administered plan to private sector and federal government retirement savings options with regard to participation rates, contribution rates, risk-adjusted return expectations, fees, and any other factors determined by the commissioner, which may include suitability in meeting the investment needs of participants.

(c) Subject to available appropriation, the report may include:

(1) estimates of the average amount of savings and other financial resources residents of Minnesota have upon retirement and those that are recommended for a financially secure retirement in Minnesota;

(2) estimates of the relative progress toward achieving the savings recommended for a financially secure retirement by gender, race, and ethnicity;

(3) barriers to savings and reasons individuals and employers may not be participating in existing private sector retirement plans;

(4) the estimated impact on publicly funded social safety net programs attributable to insufficient retirement savings, and the aggregate effect of potential state-administered plan options on publicly funded social safety net programs and the state economy;

(5) the effect of federal tax laws and the federal Employee Retirement Income Security Act on a potential state-administered plan that allows for voluntary employer contributions, either commingled with or segregated from employee contributions;

(6) options for a potential state-administered plan to use group annuities to ensure a stable stream of retirement income throughout beneficiaries' retirement years;

(7) alternative ways and costs for the state to encourage similar outcomes to a state-administered plan; and

(8) other topics that the commissioner determines are relevant to legislative consideration of possible establishment of a state-administered plan.

(d) The commissioner may meet any of the topics in paragraph (c) by reporting the results of a request for public comment.

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

Sec. 11. **RETIREMENT SAVINGS PLAN REPORT; APPROPRIATION.**

\$300,000 in fiscal year 2014 is appropriated from the general fund to the commissioner of management and budget for the retirement savings plan report under section 10. This is a onetime appropriation and is available until expended.

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

Sec. 12. **REPORT; PAY EQUITY.**

The commissioner of human rights shall report to the governor and the chairs and ranking minority members of the committees in the senate and the house of representatives with primary jurisdiction over the department by January 31, 2016. The report shall indicate the number of equal pay certificates issued under Minnesota Statutes, section 363A.44, the number of audits conducted, and a summary of results of its auditing efforts. The commissioner shall consult with the Office on the Economic Status of Women in preparing the report.

Sec. 13. **APPROPRIATION; PAY EQUITY.**

\$674,000 in fiscal year 2015 is appropriated from the general fund to the commissioner of human rights for implementation of Minnesota Statutes, section 363A.44. The agency base budget for this purpose is \$426,000 each year in fiscal years 2016 and 2017."

Page 11, after line 7, insert:

"Sec. 3. Minnesota Statutes 2013 Supplement, section 181.9413, is amended to read:

181.9413 SICK LEAVE BENEFITS; CARE OF RELATIVES.

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, grandchild, grandparent, or stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) An employee may use sick leave as allowed under this section for safety leave, whether or not the employee's employer allows use of sick leave for that purpose for such reasonable periods of time as may be necessary. Safety leave may be used for assistance to the employee or assistance to the relatives described in paragraph (a). For the purpose of this section, "safety leave" is leave for the purpose of providing or receiving assistance because of sexual assault, domestic abuse, or stalking. For the purpose of this paragraph:

(1) "domestic abuse" has the meaning given in section 518B.01;

(2) "sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453 or 609.352; and

(3) "stalking" has the meaning given in section 609.749.

(c) An employer may limit the use of safety leave as described in paragraph (b) or personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's adult child, spouse, sibling, parent, grandchild, grandparent, or stepparent to no less than 160 hours in any 12-month period. This paragraph does not apply to absences due to the illness or injury of a child, as defined in section 181.940, subdivision 4.

~~(d)~~ (d) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

~~(d)~~ (e) For the purpose of this section, "child" includes a stepchild and a biological, adopted, and foster child.

(f) For the purpose of this section, "grandchild" includes a step-grandchild, and a biological, adopted, and foster grandchild.

~~(e)~~ (g) This section does not prevent an employer from providing greater sick leave benefits than are provided for under this section.

(h) An employer shall not retaliate against an employee for requesting or obtaining a leave of absence under this section."

Page 11, line 14, after the period, insert "The employee and employer shall engage in an interactive process with respect to an employee's request for a reasonable accommodation. Notwithstanding any other provision of this section, an employer shall not be required to create a new or additional position in order to accommodate an employee pursuant to this subdivision, and shall not be required to discharge any employee, transfer any other employee with greater seniority, or promote any employee."

Page 11, line 15, delete everything after "Transfer." and insert "An employer must temporarily transfer a pregnant female employee to a less strenuous or hazardous position for the duration of her pregnancy if she so requests provided the transfer does not impose an undue hardship on the employer. An employee requesting a temporary transfer shall be required to provide to the employer written documentation of medical necessity by a licensed health care provider. The employee and employer shall engage in an interactive process with respect to an employee's request for a temporary transfer. Notwithstanding any other provision of this section, an employer shall not be required to create a new or additional position in order to accommodate an employee pursuant to this subdivision and shall not be required to discharge any employee, transfer any other employee with greater seniority, or promote any employee."

Page 11, delete lines 16 to 22

Page 16, after line 8, insert:

"ARTICLE 5 EARLY CHILDHOOD

Section 1. Minnesota Statutes 2013 Supplement, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs. The commissioner may prioritize applications on factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

(b) Scholarships may be awarded ~~up to \$5,000 for~~ each eligible child. The commissioner shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.13, subdivision 1, paragraph (b), per year.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ten months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child who receives a scholarship who has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program.

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after "to" and insert "state government; providing for the Women's Economic Security Act; requiring equal pay certificates of compliance; modifying workforce development provisions; creating women and high-wage, high-demand, nontraditional jobs grant program; modifying eligibility for unemployment insurance benefits; offering women entrepreneurs business development competitive grants; requiring a report on a potential state-administered retirement savings plan; modifying parenting leave, sick leave, and pregnancy accommodations; providing employment protections for women and family caregivers; providing wage disclosure protection; modifying the award of early childhood scholarships;"

Page 1, delete lines 3 to 7

Page 1, line 8, delete everything before "appropriating"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Carlson from the Committee on Ways and Means to which was referred:

H. F. No. 2603, A bill for an act relating to energy; modifying the community energy efficiency and renewable energy loan program; modifying permissible administrative expenses for disbursement of supplemental low-income home energy assistance; appropriating money for the weatherization assistance program; amending Minnesota Statutes 2012, sections 216C.145; 216C.146; Laws 2014, chapter 145, section 1.

Reported the same back with the following amendments:

Page 1, line 13, after "energy" insert "projects" and strike "projects"

Page 1, line 14, strike "include" and insert "means"

Page 1, line 17, after "and" insert "cost-effective energy efficiency projects installed in"

Page 1, line 18, delete the new language and insert "buildings or health care facilities"

Page 1, after line 18, insert:

"(c) "Health care facilities" means a hospital licensed under sections 144.50 to 144.56, or a nursing home licensed under chapter 144A.

"(d) "Industrial customer" means a business that is classified under the North American Industrial Classification System under codes 21, 31 to 33, 48, 49, or 562.

"(e) "Small business" means a business that employs 50 or fewer employees."

Page 1, line 19, strike "(c)" and insert "(f)"

Page 2, line 4, after the semicolon, insert "or"

Page 2, lines 5 and 6, strike the old language and delete the new language

Page 2, line 7, delete "(3)" and insert "(2)" and after "businesses" insert "or health care facilities"

Page 2, after line 35, insert:

"(b) The commissioner may not consider as criteria for issuing a loan under this section a requirement by a local unit of government for an industrial customer seeking a loan funded under this section to release information regarding the amount of energy used by the industrial customer to the local unit of government, to the commissioner, or to a third party."

Page 3, after line 4, insert:

"Subd. 6a. **Energy usage information.** A local unit of government receiving a loan under this section may not require an industrial customer applying for a loan or other aid to release information regarding the amount of energy used by the industrial customer to the local unit of government, to the commissioner, or to a third party."

Page 3, lines 5 and 11, after "efficiency" insert "and"

Page 3, line 28, delete "business and public entity projects" and insert "community energy efficiency and renewable energy projects taking place in small businesses and public buildings"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Carlson from the Committee on Ways and Means to which was referred:

H. F. No. 2785, A bill for an act relating to state government; requiring a feasibility study on creating a central fund to pay for costs of providing accommodations to state employees with disabilities.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1765, 2029, 2365, 2434, 2536, 2603 and 2785 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1762, 2060, 2076, 2245 and 2569 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Moran introduced:

H. F. No. 3333, A bill for an act relating to state government; transferring certain state councils to the Minnesota Department of Human Rights; creating an American Indian Liaison Office in Minnesota Management and Budget; amending Minnesota Statutes 2012, sections 3.9223, subdivision 5; 3.9225, subdivision 5; 3.9226, subdivision 5; 307.08, as amended; 363A.06, by adding a subdivision; repealing Minnesota Statutes 2012, section 3.922, subdivisions 1, 3, 4, 5, 6, 7, 8, 10, 11.

The bill was read for the first time and referred to the Committee on Government Operations.

Anzelc introduced:

H. F. No. 3334, A bill for an act relating to capital investment; appropriating money for military affairs and veterans affairs capital projects; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on State Government Finance and Veterans Affairs.

Sawatzky; Sundin; Franson; Urdahl; McNamar; Persell; Abeler; Ward, J.E.; Gruenhagen; Zerwas; McDonald; Fischer; Erickson, R.; Johnson, C.; Anzelc; Lien and Metsa introduced:

H. F. No. 3335, A bill for an act relating to human services; modifying nursing facility peer groups; providing an operating payment rate increase for certain nursing facilities; amending Minnesota Statutes 2012, section 256B.441, subdivision 30, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Kelly introduced:

H. F. No. 3336, A bill for an act relating to taxation; property; exempting certain property used to provide services to school district employees from taxation; amending Minnesota Statutes 2012, section 272.02, subdivision 42; Minnesota Statutes 2013 Supplement, section 272.01, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Albright, Drazkowski, Zellers, Pugh and Kelly introduced:

H. F. No. 3337, A bill for an act relating to elections; providing term limits for state legislators and constitutional officers; proposing an amendment to the Minnesota Constitution, article IV, section 6; and article V, sections 2 and 4.

The bill was read for the first time and referred to the Committee on Elections.

Albright; Drazkowski; Gunther; Franson; Uglem; Kresha; Woodard; Johnson, B.; Green; Hertaus; Nornes; Lohmer; O'Neill; Anderson, M.; Howe; Theis; Zellers; Kelly and Pugh introduced:

H. F. No. 3338, A bill for an act relating to taxation; sales and use; motor vehicles; providing an exemption for used goods and used motor vehicles; amending Minnesota Statutes 2012, sections 297A.67, by adding a subdivision; 297B.03.

The bill was read for the first time and referred to the Committee on Taxes.

Laine introduced:

H. F. No. 3339, A bill for an act relating to human services; increasing rates for chemical dependency providers; proposing coding for new law in Minnesota Statutes, chapter 256B.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1747, 2108, 2162, 2221 and 2571.

JOANNE M. ZOFF, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1747, A bill for an act relating to environment; modifying environmental review requirements for chemical production using cellulosic feedstock; amending Minnesota Statutes 2012, section 116D.04, subdivision 2a.

The bill was read for the first time.

Anzcl moved that S. F. No. 1747 and H. F. No. 2719, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2108, A bill for an act relating to commerce; prohibiting certain practices in connection with a sales representative agreement; amending Minnesota Statutes 2012, section 325E.37, by adding a subdivision.

The bill was read for the first time.

Schoen moved that S. F. No. 2108 and H. F. No. 2413, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2162, A bill for an act relating to Hennepin County; modifying the multijurisdictional reinvestment program; amending Minnesota Statutes 2012, section 383B.79, subdivisions 1, 2, 5.

The bill was read for the first time.

Nelson moved that S. F. No. 2162 and H. F. No. 2613, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2221, A bill for an act relating to water; modifying drainage system provisions; amending Minnesota Statutes 2012, sections 103E.015, subdivisions 1, 2, by adding a subdivision; 103E.091, subdivision 1; 103E.245, subdivisions 1, 2, 4; 103E.255; 103E.261, subdivisions 4, 5; 103E.285, subdivision 10; 103E.301; 103E.341, subdivision 1; 103E.501, subdivision 4.

The bill was read for the first time.

Hansen moved that S. F. No. 2221 and H. F. No. 2571, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2571, A bill for an act relating to public safety; providing technical amendments to criminal vehicular homicide or operation statute; clarifying driving while impaired law to work with amendments to criminal vehicular homicide and operation statute; amending Minnesota Statutes 2012, sections 169A.03, subdivisions 20, 21; 169A.24, subdivision 1; 609.21, subdivisions 1, 1a, 5; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Slocum moved that S. F. No. 2571 and H. F. No. 2928, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Murphy, E., moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

CALENDAR FOR THE DAY

H. F. No. 3172 was reported to the House.

Carlson moved to amend H. F. No. 3172, the first engrossment, as follows:

Page 7, after line 3, insert:

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

Page 7, before line 4, insert:

"Sec. 4. Laws 2013, chapter 85, article 1, section 4, subdivision 11, is amended to read:

Subd. 11. Grants	445,000 <u>945,000</u>	445,000
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(a) This appropriation is for the grants in paragraphs (b) to ~~(d)~~ (e) and is available until expended. This appropriation is added to the agency's base.

(b) \$70,000 each year is for a grant to Open Access Connection to provide free voice mail services for homeless and low-income people so that they have a reliable and consistent communication tool to aid in their search for affordable housing and their search for and maintenance of jobs so that they have income to maintain affordable housing. This service is provided in the metropolitan area and through a toll-free number in greater Minnesota.

(c) \$200,000 each year is for a grant to HOME Line for the tenant's rights advocacy and services program.

(d) \$175,000 each year is for a grant to the Voice of East African Women Organization to provide safe housing for victims of domestic abuse and trafficking. The program shall provide shelter to East African women and children in Minnesota and other victims of domestic violence. This appropriation is available in either year.

(e) \$500,000 the first year is a onetime appropriation for a grant to the nonprofit organization selected to administer the state demonstration project for high-risk adults established under Laws 2007, chapter 54, article 1, section 19. This appropriation is available until June 30, 2015.

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

Page 7, line 32, delete "38,350,000" and insert "37,350,000"

Page 8, line 5, delete "36,250,000" and insert "35,750,000"

Page 8, line 6, after "is" insert "from the general fund"

Page 11, line 18, delete "1,600,000" and insert "1,100,000"

Page 12, line 9, delete "275,000" and insert "25,000"

Page 12, line 13, delete "275,000" and insert "25,000"

Page 18, delete line 11

Page 18, line 12, delete the new language

Page 69, after line 16, insert:

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

Page 106, line 20, delete "to"

Page 194, line 12, after "the" insert "specific"

Page 253, after line 20, insert:

"Sec. 13. Minnesota Statutes 2012, section 256.969, subdivision 3c, is amended to read:

Subd. 3c. **Rateable reduction and readmissions reduction.** (a) The total payment for fee for service admissions occurring on or after September 1, 2011, through June 30, 2015, made to hospitals for inpatient services before third-party liability and spenddown, is reduced ten percent from the current statutory rates. Facilities defined under subdivision 16, long-term hospitals as determined under the Medicare program, children's hospitals whose inpatients are predominantly under 18 years of age, and payments under managed care are excluded from this paragraph.

(b) Effective for admissions occurring during calendar year 2010 and each year after, the commissioner shall calculate a regional readmission rate for admissions to all hospitals occurring within 30 days of a previous discharge. The commissioner may adjust the readmission rate taking into account factors such as the medical relationship, complicating conditions, and sequencing of treatment between the initial admission and subsequent readmissions.

(c) Effective for payments to all hospitals on or after July 1, 2013, through June 30, 2015, the reduction in paragraph (a) is reduced one percentage point for every percentage point reduction in the overall readmissions rate between the two previous calendar years to a maximum of five percent.

(d) A hospital with at least 1,700 licensed beds on January 1, 2012, located in Hennepin County is excluded from the reduction in paragraph (a) for admissions occurring on or after September 1, 2011, through August 30, 2013, but is subject to the reduction in paragraph (a) for admissions occurring on or after September 1, 2013, through June 30, 2015.

EFFECTIVE DATE. This section is effectively retroactively from September 1, 2011."

Page 378, line 19, after "adjustment" insert "shall be"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Peppin moved to amend the Carlson amendment to H. F. No. 3172, the first engrossment, as follows:

Page 1, delete lines 4 to 25

Page 2, delete lines 1 to 16 and insert:

"Page 5, line 29, strike "10,276,000" and insert "10,776,000"

Page 6, line 8, strike "is a" and insert "and \$500,000 in the second year are"

Page 6, line 9, strike "appropriation" and insert "appropriations"

The motion prevailed and the amendment to the amendment was adopted.

Huntley moved to amend the Carlson amendment, as amended, to H. F. No. 3172, the first engrossment, as follows:

Page 3, delete lines 14 to 18 and insert:

"(d) The payment reduction in paragraph (a) shall not apply to payments to a hospital with at least 1,700 licensed beds on January 1, 2011, located in Hennepin County, for admissions of children as defined in section 256B.055, subdivision 3a, occurring on or after September 1, 2011, through August 31, 2013, but shall apply to payments for admissions of children occurring on or after September 1, 2013, through June 30, 2015."

The motion prevailed and the amendment to the amendment was adopted.

O'Neill moved to amend the Carlson amendment, as amended, to H. F. No. 3172, the first engrossment, as follows:

Page 2, after line 27, insert:

"Page 98, after line 17, insert:

"Sec. 14. Minnesota Statutes 2012, section 174.56, subdivision 1, is amended to read:

Subdivision 1. **Report required.** (a) The commissioner of transportation shall submit a report by December 15 of each year on (1) the status of major highway projects completed during the previous two years or under construction or planned during the year of the report and for the ensuing 15 years, ~~and~~ (2) trunk highway fund expenditures, and (3) efficiencies achieved in the previous biennium.

(b) For purposes of this section, a "major highway project" is a highway project that has a total cost for all segments that the commissioner estimates at the time of the report to be at least (1) \$15,000,000 in the metropolitan highway construction district, or (2) \$5,000,000 in any nonmetropolitan highway construction district.

Sec. 15. Minnesota Statutes 2012, section 174.56, is amended by adding a subdivision to read:

Subd. 2b. **Efficiencies.** The commissioner shall include in the report information on efficiencies implemented in the previous biennium in planning and project management and delivery, along with an explanation of the efficiencies used to achieve the savings and the methodology used in the calculations. The level of savings achieved must equal, in comparison with the total state road construction budget for that year, a minimum of five percent in fiscal year 2015. The report must identify the projects that have been advanced or completed due to the implementation of efficiency measures."

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

The motion prevailed and the amendment to the amendment was adopted.

Newberger moved to amend the Carlson amendment, as amended, to H. F. No. 3172, the first engrossment, as follows:

Page 2, after line 28, insert:

"Page 140, line 25, after the period, insert "This includes humane societies, animal rescue shelters, or any group which operates in like fashion."

The motion did not prevail and the amendment to the amendment was not adopted.

Loon moved to amend the Carlson amendment, as amended, to H. F. No. 3172, the first engrossment, as follows:

Page 2, after line 22, insert:

"Page 12, delete lines 14 to 23

Page 12, line 24, delete "(b)"

Page 2, after line 29, insert:

"Page 225, after line 15, insert:

"Sec. 12. Laws 2013, chapter 116, article 3, section 37, subdivision 18, is amended to read:

Subd. 18. **School Climate Center.** For the School Climate Center:

\$ 500,000 0	.....	2014
\$500,000	.....	2015

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 61 yeas and 70 nays as follows:

Those who voted in the affirmative were:

- | | | | | | |
|--------------|------------|--------------|------------|-------------|----------|
| Abeler | Beard | Dettmer | Garofalo | Hertaus | Kieffer |
| Albright | Benson, M. | Drazkowski | Green | Holberg | Kiel |
| Anderson, M. | Cornish | Erickson, S. | Gruenhagen | Hoppe | Kresha |
| Anderson, P. | Daudt | Fabian | Gunther | Howe | Leidiger |
| Anderson, S. | Dauids | FitzSimmons | Hackbarth | Johnson, B. | Lohmer |
| Barrett | Dean, M. | Franson | Hamilton | Kelly | Loon |

Mack	Nornes	Pugh	Scott	Urdahl
McDonald	O'Driscoll	Quam	Swedzinski	Wills
McNamara	O'Neill	Runbeck	Theis	Woodard
Myhra	Peppin	Sanders	Torkelson	Zellers
Newberger	Petersburg	Schomacker	Uglen	Zerwas

Those who voted in the negative were:

Allen	Dorholt	Hortman	Mahoney	Nelson	Selcer
Anzelc	Erhardt	Huntley	Mariani	Newton	Simonson
Atkins	Erickson, R.	Isaacson	Marquart	Norton	Slocum
Benson, J.	Falk	Johnson, C.	Masin	Paymar	Sundin
Bernardy	Fischer	Johnson, S.	McNamar	Pelowski	Wagenius
Bly	Freiberg	Kahn	Melin	Persell	Ward, J.A.
Brynaert	Fritz	Laine	Metsa	Poppe	Ward, J.E.
Carlson	Halverson	Lenczewski	Moran	Radinovich	Winkler
Clark	Hansen	Liebling	Morgan	Rosenthal	Yarusso
Davnie	Hausman	Lien	Mullery	Savick	Spk. Thissen
Dehn, R.	Hilstrom	Lillie	Murphy, E.	Sawatzky	
Dill	Hornstein	Loeffler	Murphy, M.	Schoen	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Carlson amendment, as amended, to H. F. No. 3172, the first engrossment. The motion prevailed and the amendment, as amended, was adopted.

Daudt moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT;
DEPARTMENT OF LABOR AND INDUSTRY APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns under "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2013, chapter 85, article 1, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. Appropriations for the fiscal year ending June 30, 2014, are effective the day following final enactment. Reductions may be taken in either fiscal year.

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

Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. <u>Total Appropriation</u>	<u>\$0</u>	<u>\$29,125,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Business and Community Development027,550,000

(a) \$24,850,000 in fiscal year 2015 is from the general fund for grants for the development of broadband infrastructure under Minnesota Statutes, section 116J.395, or to supplement revenues raised by bonds sold by local units of government for broadband infrastructure development. This is a onetime appropriation and is available until June 30, 2017.

(b) \$150,000 in fiscal year 2015 is from the general fund for the Office of Broadband Development to conduct a study of the feasibility of using wireless broadband technologies to meet Minnesota's broadband goals established in section 237.012 in areas of the state that currently lack access to broadband services. The study must be submitted to the chairs and ranking minority members of the senate and house committees with jurisdiction over telecommunications by March 1, 2015.

(c) \$500,000 in fiscal year 2015 is from the general fund for grants to small business development centers under Minnesota Statutes, section 116J.68. Funds made available under this paragraph may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, to provide consulting and technical services, or to build additional SBDC network capacity to serve entrepreneurs and small businesses. The commissioner shall allocate funds equally among the nine regional centers and lead center. This is a onetime appropriation and is available until expended.

(d) \$1,600,000 in fiscal year 2015 is from the general fund for the Minnesota Jobs Skills Partnership program under Minnesota Statutes, section 116L.02. Of this appropriation, \$600,000 is onetime and is available until expended and \$1,000,000 is added to the agency's base budget each year for fiscal years 2016 and 2017.

(e) \$450,000 in fiscal year 2015 is from the general fund for the Office of Regenerative Medicine under Minnesota Statutes, sections 116J.886 to 116J.8862. This is a onetime appropriation and is available until expended.

Subd. 3. Workforce Development01,075,000

(a) \$75,000 in fiscal year 2015 is from the general fund for workforce program outcome activities under Minnesota Statutes, section 116L.98. Up to five percent of this appropriation may be used by the commissioner for administration of the program. This is a onetime appropriation and is available until expended.

(b) \$1,000,000 in fiscal year 2015 is from the general fund for training rebates under article 2, section 10. This is a onetime appropriation and is available until expended.

Subd. 4. General Support Services

0

500,000

\$500,000 in fiscal year 2015 is for establishing and operating the interagency Olmstead Implementation Office. This is a onetime appropriation and is available until expended.

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

Subd. 2. Business and Community Development

53,642,000

45,407,000

Appropriations by Fund

General	52,942,000	44,707,000
Remediation	700,000	700,000

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

(2) Of the amount available under clause (1), up to \$3,000,000 in fiscal year 2014 is for a loan to facilitate initial investment in the purchase and operation of a biopharmaceutical manufacturing facility. This loan is not subject to the loan limitations under Minnesota Statutes, section 116J.8731, and shall be forgiven by the commissioner of employment and economic development upon verification of meeting performance goals. Purchases related to and for the purposes of this loan award must be made between January 1, 2013, and June 30, 2015. The amount under this clause is available until expended.

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

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

(5) For purposes of clauses (1) to (4), "biopharmaceutical" and "biologics" are interchangeable and mean medical drugs or medicinal preparations produced using technology that uses biological systems, living organisms, or derivatives of living organisms, to make or modify products or processes for specific use. The medical drugs or medicinal preparations include but are not limited to proteins, antibodies, nucleic acids, and vaccines.

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

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

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

(e) \$1,425,000 the first year and \$1,425,000 the second year are from the general fund for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

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

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

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

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

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

(k) \$5,000,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until expended. The base funding for this program shall be \$1,500,000 each year in the fiscal year 2016-2017 biennium.

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

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

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

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

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

(q) \$1,235,000 the first year is from the general fund for a onetime grant to a city of the second class that is designated as an economically depressed area by the United States Department of Commerce. The appropriation is for economic development, redevelopment, and job creation programs and projects. This appropriation is available until expended.

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

(s) \$750,000 the first year is from the general fund for a onetime grant to the city of Morris for loans or grants to agricultural processing facilities for energy efficiency improvements. Funds available under this section shall be used to increase conservation and promote energy efficiency through retrofitting existing systems and installing new systems to recover waste heat from industrial processes and reuse energy. This appropriation is not

available until the commissioner determines that ~~at least \$1,250,000~~ a match of \$750,000 is committed to the project from nonpublic sources. This appropriation is available until expended.

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

Sec. 4. Laws 2013, chapter 85, article 1, section 3, subdivision 6, is amended to read:

Subd. 6. **Vocational Rehabilitation** 27,691,000 27,691,000

Appropriations by Fund

General	20,861,000	20,861,000
Workforce Development	6,830,000	6,830,000

(a) \$10,800,000 each year is from the general fund for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) \$2,261,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(c) \$5,745,000 each year from the general fund and \$6,830,000 each year from the workforce development fund is for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. The allocation of extended employment funds to Courage Center from July 1, 2012 to June 30, 2013 must be contracted to Allina Health systems from July 1, 2013 to June 30, ~~2014~~ 2015 to provide extended employment services in accordance with Minnesota Rules, parts 3300.2005 to 3300.2055.

(d) \$2,055,000 each year is from the general fund for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. The base appropriation for this program is \$1,555,000 each year in the fiscal year 2016-2017 biennium.

Sec. 5. Laws 2013, chapter 85, article 1, section 13, subdivision 5, is amended to read:

Subd. 5. **Telecommunications** 1,949,000 2,249,000

Appropriations by Fund

General	1,009,000	1,009,000
Special Revenue	940,000	1,240,000

\$940,000 in fiscal year 2014 and \$1,240,000 in fiscal year 2015 are appropriated to the commissioner from the telecommunication access fund for the following transfers. This appropriation is added to the department's base.

(1) \$500,000 in fiscal year 2014 and \$800,000 in fiscal year 2015 to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans;

(2) \$290,000 in fiscal year 2014 and \$290,000 in fiscal year 2015 to the chief information officer for the purpose of coordinating technology accessibility and usability; and

(3) \$150,000 in fiscal year 2014 and \$150,000 in fiscal year 2015 to the Legislative Coordinating Commission for captioning of legislative coverage and for a consolidated access fund for other state agencies. These transfers are subject to Minnesota Statutes, section 16A.281.

ARTICLE 2 ECONOMIC DEVELOPMENT AND WORKFORCE DEVELOPMENT

Section 1. [116J.394] DEFINITIONS.

(a) For the purposes of sections 116J.394 to 116J.396, the following terms have the meanings given them.

(b) "Broadband" or "broadband service" has the meaning given in section 116J.39, subdivision 1, paragraph (b).

(c) "Broadband infrastructure" means networks of deployed telecommunications equipment and technologies necessary to provide high-speed Internet access and other advanced telecommunications services for end users.

(d) "Commissioner" means the commissioner of employment and economic development.

(e) "Last-mile infrastructure" means broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-use customer's on-premises telecommunications equipment.

(f) "Middle-mile infrastructure" means broadband infrastructure that links a broadband service provider's core network infrastructure to last-mile infrastructure.

(g) "Political subdivision" means any county, city, town, school district, special district or other political subdivision, or public corporation.

(h) "Underserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service at speeds that meet the state broadband goals of ten megabits per second download and five megabits per second upload.

(i) "Unserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service at speeds that meet a Federal Communications Commission threshold of four megabits per second download and one megabit per second upload.

Sec. 2. [116J.395] BORDER-TO-BORDER BROADBAND DEVELOPMENT GRANT PROGRAM.

Subdivision 1. Establishment. A grant program is established under the Department of Employment and Economic Development to award grants to eligible applicants in order to promote the expansion of access to broadband service in unserved or underserved areas of the state.

Subd. 2. **Eligible expenditures.** Grants may be awarded under this section to fund the acquisition and installation of middle-mile and last-mile infrastructure that support broadband service scalable to speeds of at least 100 megabits per second download and 100 megabits per second upload.

Subd. 3. **Eligible applicants.** Eligible applicants for grants awarded under this section include:

(1) an incorporated business or a partnership;

(2) a political subdivision;

(3) an Indian tribe;

(4) a Minnesota nonprofit organization organized under chapter 317A;

(5) a Minnesota cooperative association organized under chapter 308A or 308B; and

(6) a Minnesota limited liability corporation organized under chapter 322B for the purpose of expanding broadband access.

Subd. 4. **Application process.** An eligible applicant must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner shall develop administrative procedures governing the application and grant award process. The commissioner shall act as fiscal agent for the grant program and shall be responsible for receiving and reviewing grant applications and awarding grants under this section.

Subd. 5. **Application contents.** An applicant for a grant under this section shall provide the following information on the application:

(1) the location of the project;

(2) the kind and amount of broadband infrastructure to be purchased for the project;

(3) evidence regarding the unserved or underserved nature of the community in which the project is to be located;

(4) the number of households passed that will have access to broadband service as a result of the project, or whose broadband service will be upgraded as a result of the project;

(5) significant community institutions that will benefit from the proposed project;

(6) evidence of community support for the project;

(7) the total cost of the project;

(8) sources of funding or in-kind contributions for the project that will supplement any grant award; and

(9) any additional information requested by the commissioner.

Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the commissioner shall give priority to applications that are constructed in areas identified by the director of the Office of Broadband Development as unserved.

(b) In evaluating applications and awarding grants, the commissioner may give priority to applications that:

(1) are constructed in areas identified by the director of the Office of Broadband Development as underserved;

(2) offer new or substantially upgraded broadband service to important community institutions including, but not limited to, libraries, educational institutions, public safety facilities, and healthcare facilities;

(3) facilitate the use of telemedicine and electronic health records;

(4) serve economically distressed areas of the state, as measured by indices of unemployment, poverty, or population loss that are significantly greater than the statewide average;

(5) provide technical support and train residents, businesses, and institutions in the community served by the project to utilize broadband service;

(6) include a component to actively promote the adoption of the newly available broadband services in the community;

(7) provide evidence of strong support for the project from citizens, government, businesses, and institutions in the community;

(8) provide access to broadband service to a greater number of unserved or underserved households and businesses; or

(9) leverage greater amounts of funding for the project from other private and public sources.

(c) The commissioner shall endeavor to award grants under this section to qualified applicants in all regions of the state.

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

Sec. 3. **[116J.396] BORDER-TO-BORDER BROADBAND FUND.**

Subdivision 1. **Account established.** The border-to-border broadband fund account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund, but remain in the account until expended. The commissioner shall manage the account.

Subd. 2. **Expenditures.** Money in the account may be used only:

(1) for grant awards made under section 116J.395, including up to three percent of the total amount appropriated for grants awarded under that section for costs incurred by the Department of Employment and Economic Development to administer that section; or

(2) to supplement revenues raised by bonds sold by local units of government for broadband infrastructure development.

Subd. 3. **Appropriation.** Money in the account is appropriated to the commissioner for the purposes of subdivision 2.

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

Sec. 4. **[116J.886] CITATION; REGENERATIVE MEDICINE DEVELOPMENT ACT.**

Sections 116J.886 to 116J.8862 shall be known as the Regenerative Medicine Development Act to promote private sector investment in regenerative medicine to strengthen the state's economy, reduce the long-term costs related to treating debilitating illnesses, advance the regenerative medicine industry, and facilitate and expand clinical research opportunities in the state.

Sec. 5. **[116J.8861] DEFINITIONS.**

Subdivision 1. **Definitions.** For the purposes of sections 116J.886 to 116J.8862, the following terms have the meanings given them.

Subd. 2. **Business development services.** "Business development services" means business incubator services and services to facilitate access to existing publicly or privately financed grants, loans, or loan guarantees, and to support basic or applied research, development of therapies, and development of pharmacologies and treatments through preclinical or clinical trials.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment and economic development.

Subd. 4. **Office.** "Office" means the Office of Regenerative Medicine Development established under section 116J.8862.

Subd. 5. **Regenerative medicine.** "Regenerative medicine" means the process of creating or using living, functional tissue to augment, repair, replace, or regenerate organs and tissue that have been damaged by disease, injury, aging, or other biological processes.

Subd. 6. **Regenerative medicine development project or project.** "Regenerative medicine development project" or "project" means any research, product development, or commercial venture relating to basic, preclinical, or clinical work to produce a drug, biological or chemical material, compound, or medical device designed to augment, repair, replace, or regenerate organs and tissue that have been damaged by disease, injury, aging, or other biological processes.

Sec. 6. **[116J.8862] OFFICE OF REGENERATIVE MEDICINE DEVELOPMENT.**

Subdivision 1. **Established.** The commissioner shall establish an Office of Regenerative Medicine Development to provide business development services and outreach to promote and expand the regenerative medicine industry in Minnesota.

Subd. 2. **Consultation.** The office must regularly consult with external stakeholders, and must conduct public meetings to gather input. For the purposes of this section, external stakeholders must include:

(1) the director of the Minnesota Stem Cell Institute at the University of Minnesota;

(2) a representative of a Minnesota-based trade association with the largest number of bioscience companies as its membership;

(3) a representative of a Minnesota-based trade association with the largest number of hospitals as its membership; and

(4) a representative of the largest private entity in Minnesota conducting research into the benefits and uses of regenerative medicine.

Subd. 3. **Outside funding.** The commissioner, on behalf of the office, may accept appropriations, gifts, grants, and bequests.

Subd. 4. **Public infrastructure grant program.** The commissioner shall coordinate the services and activities of the office with the innovative business development public infrastructure program under section 116J.435.

Subd. 5. **Fiscal planning.** By December 15, 2014, the commissioner shall develop a long-term budget proposal for the office for fiscal years 2016 to 2024 to provide business development services to regenerative medicine development projects.

Subd. 6. **Project applications; selection.** (a) The office shall provide business development services to eligible regenerative medicine development projects approved by the commissioner. To be eligible for business development services under this section, a regenerative medicine development project must:

(1) demonstrate that at least 70 percent of the project costs are paid from nonstate sources. The nonstate share may include federal funds and the prior purchase of scientific equipment and materials incidental to the project, provided the purchase is completed not more than two years prior to the approval of funding by the commissioner;

(2) not duplicate or supplant any other research or other project already conducted by the federal government, or for which federal funding is available; and

(3) demonstrate that project activities are carried out directly by the grant recipient.

(b) The commissioner shall establish an application and process for approving projects. Project applications must include the following information:

(1) evidence that the required match is available and committed;

(2) a detailed estimate, along with necessary supporting evidence, of the total cost of the project;

(3) an assessment of the potential to attract new or continue existing public and private research grant awards resulting from the project;

(4) a detailed risk analysis projecting the likelihood of clinical success resulting in revenues or royalty payments from the project;

(5) an assessment of the likelihood for and potential cost savings for publicly funded health care and long-term care programs from the project as a result of reducing the incidence or lowering the treatment costs of debilitating illnesses and diseases over the next ten years;

(6) a timeline indicating the major milestones of research projects and their anticipated completion dates, including any previously completed similar research; and

(7) an estimate of any potential current and future employment opportunities within the state, stimulation of economic growth, and the possibility for advancing the development of commercially successful and affordable regenerative medicine products, processes, or services. The application requirements are not in priority order and the commissioner may weigh each item, depending upon the facts and circumstances, as the commissioner considers appropriate.

Subd. 7. **Report.** The commissioner, on behalf of the office, must report to the legislative chairs with jurisdiction over economic development by January 1 of each odd-numbered year on successful economic development projects implemented or initiated since their last report and on plans for the upcoming year.

Subd. 8. **Sunset.** The office established under this section expires June 30, 2024.

Sec. 7. Minnesota Statutes 2012, section 116L.98, is amended to read:

116L.98 WORKFORCE PROGRAM OUTCOMES.

Subdivision 1. **Requirements.** The commissioner shall develop and implement a set of standard approaches for assessing the outcomes of workforce programs under this chapter. The outcomes assessed must include, but are not limited to, periodic comparisons of workforce program participants and nonparticipants uniform outcome measurement and reporting system for adult workforce-related programs funded in whole or in part by the workforce development fund.

~~The commissioner shall also monitor the activities and outcomes of programs and services funded by legislative appropriations and administered by the department on a pass-through basis and develop a consistent and equitable method of assessing recipients for the costs of its monitoring activities.~~

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance with an occupation. This definition does not include certificates awarded by workforce investment boards or work-readiness certificates.

(c) "Exit" means to have not received service under a workforce program for 90 consecutive calendar days. The exit date is the last date of service.

(d) "Net impact" means the use of matched control groups and regression analysis to estimate the impacts attributable to program participation net of other factors, including observable personal characteristics and economic conditions.

(e) "Pre-enrollment" means the period of time before an individual was enrolled in a workforce program.

Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December 31 of each even-numbered year, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information separately for each of the previous two fiscal or calendar years, for each program subject to the requirements of subdivision 1:

(1) the total number of participants enrolled;

(2) the median pre-enrollment wages based on participant wages for the second through the fifth calendar quarters immediately preceding the quarter of enrollment excluding those with zero income;

(3) the total number of participants with zero income in the second through fifth calendar quarters immediately preceding the quarter of enrollment;

(4) the total number of participants enrolled in training;

(5) the total number of participants enrolled in training by occupational group;

(6) the total number of participants that exited the program and the average enrollment duration of participants that have exited the program during the year;

(7) the total number of exited participants who completed training;

(8) the total number of exited participants who attained a credential;

(9) the total number of participants employed during three consecutive quarters immediately following the quarter of exit, by industry;

(10) the median wages of participants employed during three consecutive quarters immediately following the quarter of exit;

(11) the total number of participants employed during eight consecutive quarters immediately following the quarter of exit, by industry; and

(12) the median wages of participants employed during eight consecutive quarters immediately following the quarter of exit.

(b) The report to the legislature must contain participant information by education level, race and ethnicity, gender, and geography, and a comparison of exited participants who completed training and those who did not.

(c) The requirements of this section apply to programs administered directly by the commissioner or administered by other organizations under a grant made by the department.

Subd. 4. Data to commissioner; uniform report card. (a) A recipient of a future or past grant or direct appropriation made by or through the department must report data to the commissioner by September 1 of each even-numbered year on each of the items in subdivision 3 for each program it administers except wages and number employed, which the department shall provide. The data must be in a format prescribed by the commissioner.

(b) Beginning July 1, 2014, the commissioner shall provide notice to grant applicants and recipients regarding the data collection and reporting requirements under this subdivision and must provide technical assistance to applicants and recipients to assist in complying with the requirements of this subdivision.

Subd. 5. Information. The information collected and reported under subdivisions 3 and 4 shall be made available on the department's Web site.

Subd. 6. Limitations on future appropriations. (a) A program that is a recipient of public funds and subject to the requirements of this section as of May 1, 2014, is not eligible for additional state appropriations for any fiscal year beginning after June 30, 2015, unless all of the reporting requirements under subdivision 4 have been satisfied.

(b) A program with an initial request for funds on or after the effective date of this section may be considered for receipt of public funds for the first two fiscal years only if a plan that demonstrates how the data collection and reporting requirements under subdivision 4 will be met has been submitted and approved by the commissioner. Any subsequent request for funds after an initial request is subject to the requirements of paragraph (a).

Subd. 7. **Workforce program net impact analysis.** (a) The commissioner shall contract with an independent entity to conduct a net impact analysis for adult workforce-related programs funded in whole or in part by the workforce development fund. The requirements of this section apply to programs administered directly by the commissioner or administered by other employment organizations under a grant made by the department. The net impact methodology used by the independent entity should be based on the methodology and evaluation design used in paragraph (c) and must include:

(1) standardized statistical methods for estimating the net impacts of workforce services on individual employment, earnings, incarceration avoidance where appropriate, and public benefits usage outcomes; and

(2) standardized cost-benefit analysis for understanding the monetary impacts of workforce services from the participant and taxpayer points of view.

(b) By January 15 of the odd year of every other biennium, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development and workforce policy and finance the following information for each program subject to this subdivision:

(1) the net impact of workforce services on individual employment, earnings, and public benefits usage outcomes; and

(2) cost-benefit analyses for understanding the monetary impacts of workforce services from the participant and taxpayer points of view. The report must be made available to the public in an electronic format on the Department of Employment and Economic Development's Web site.

The department is authorized to create and maintain data-sharing agreements with other departments, including corrections, human services, and any other department that are necessary to complete the analysis. The department shall supply the information collected for use by the independent entity conducting net impact analysis pursuant to the data practices requirements under chapters 13, 13A, 13B, and 13C.

(c) By January 15, 2015, the commissioner, in partnership with the Governor's Workforce Development Council, must report to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development and workforce policy and finance the results of the net impact pilot project already underway.

Sec. 8. Minnesota Statutes 2012, section 181A.07, is amended by adding a subdivision to read:

Subd. 7. **Approved training programs.** The commissioner may grant exemptions from any provisions of sections 181A.01 to 181A.12 for minors participating in training programs approved by the commissioner; or students in a valid apprenticeship program taught by or required by a trade union, the commissioner of education, the commissioner of employment and economic development, the Board of Trustees of the Minnesota State Colleges and Universities, or the Board of Regents of the University of Minnesota.

Sec. 9. **COMMISSIONER'S ACCOUNTABILITY PLAN.**

By December 1, 2014, the commissioner shall report to the committees of the house of representatives and senate having jurisdiction over workforce development and economic development policy and finance issues, on the department's plan, and any request for funding, to design and implement a performance accountability outcome measurement system for programs under Minnesota Statutes, chapters 116J and 116L.

Sec. 10. **NEW EMPLOYEE TRAINING PARTNERSHIP.**

Subdivision 1. **Training partnership initiative.** (a) The commissioner of employment and economic development shall develop and implement a new employee training partnership to provide rebates to employers that hire and train new employees. To be eligible for a rebate under this section, an employer must enter into an agreement with the commissioner under subdivision 3. The commissioner shall give priority to employers in counties in which the county unemployment rate over the preceding 12 months exceeded the state average unemployment rate by 1.5 percentage points over the same period.

(b) Before entering into an agreement with an employer, the commissioner must investigate the applicability of other training programs and determine whether the job skills partnership grant program is a more suitable source of funding for the training and whether the training can be completed in a timely manner that meets the needs of the employer.

The investigation must be completed within 15 days or as soon as reasonably possible after the employer has provided the commissioner with all the requested information.

(c) The commissioner shall prescribe the form of all applications for rebates, the timing for submission of applications, the execution of agreements with the commissioner, and the payment of rebates.

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms in this subdivision have the meanings given.

(b) "Agreement" means the agreement between an employer and the commissioner for a training partnership.

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

(d) "Cost of training" means all necessary and incidental costs of providing training services. The term does not include the cost of purchasing equipment to be owned or used by the training or educational institution or service.

(e) "Disability" has the meaning given under United States Code, title 42, chapter 126.

(f) "Employee" means an individual employed in a new job.

(g) "Employer" means an individual, corporation, partnership, limited liability company, or association providing new jobs and entering into an agreement.

(h) "Long-term unemployed" has the meaning given by the United States Department of Labor, Bureau of Labor Standards.

(i) "New job" means a job:

(1) that is provided by a new or expanding business at a location outside of the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) that provides 32 hours of work per week for a minimum of nine months of the year and is permanent with no planned termination date; and

(3) for which the employee hired was not (i) formerly employed by the employer in the state or (ii) a replacement worker, including a worker newly hired as a result of a labor dispute.

(j) "Rebate" means a payment by the commissioner to an employer for the cost of training an employee. Rebates are limited to a maximum of \$3,000 per employee, except that the maximum rebate for the training costs of an employee with a disability, an employee who was considered long-term unemployed, or an employee who is a veteran, is \$4,000 per employee.

(k) "Training partnership" means a training services and rebate arrangement that is the subject of an agreement entered into between the commissioner and an employer.

(l) "Training services" means training and education specifically directed to new jobs, determined to be appropriate by the commissioner, including in-house training; services provided by institutions of higher education, or federal, state, or local agencies; or private training or educational services. Administrative services, assessment, and testing costs may be considered as training services.

Subd. 3. Agreements; required terms. To be eligible for a rebate under this section, an employer must enter into an agreement with the commissioner that:

(1) identifies the training costs to be incurred by the employer, who will provide the training services, and the amount of the rebate to be provided by the commissioner;

(2) provides for a guarantee by the employer of payment for all training costs; and

(3) provides that each employee must be paid wages of at least \$13 per hour, plus benefits, except that during a period not to exceed three weeks, during which an employee is receiving training services, the employee may be paid wages of at least \$11 per hour, plus benefits.

Subd. 4. Verification prior to payment of rebate. The commissioner shall not pay any rebate until all training costs and payment of the training costs by the employer have been verified.

Subd. 5. Allocation. (a) The commissioner shall allocate payment for rebates to employers only after receipt of a complete application for the rebate, including the provision of all of the required information and the execution of an agreement and approval by the commissioner. In approving applications, the commissioner must give priority to employers in counties with high seasonally adjusted unemployment rates.

(b) The commissioner may utilize existing on-the-job training rebate or payment processes or procedures.

Subd. 6. Report. By February 1, 2015, the commissioner shall report to the committees of the house of representatives and the senate having jurisdiction over economic development policy and finance. The report must include the following information:

(1) the total amount of rebates issued;

(2) the number of individuals receiving training, including disaggregate data for employees who are individuals with disabilities, veterans, or who were long-term unemployed;

(3) an analysis of the effectiveness of the rebate in encouraging employment; and

(4) any other information the commissioner determines appropriate.

Sec. 11. REPEALER.

Minnesota Statutes 2012, section 116J.997, is repealed.

ARTICLE 3
WORKERS' COMPENSATION

Section 1. Minnesota Statutes 2013 Supplement, section 176.011, subdivision 15, is amended to read:

Subd. 15. **Occupational disease.** (a) "Occupational disease" means a mental impairment as defined in paragraph (d) or physical disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Physical stimulus resulting in mental injury and mental stimulus resulting in physical injury shall remain compensable. Mental impairment is not considered a disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota State Patrol, conservation officer service, state crime bureau, as a forest officer by the Department of Natural Resources, state correctional officer, or sheriff or full-time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota State Patrol, conservation officer service, state crime bureau, Department of Natural Resources, Department of Corrections, or sheriff's department of any county, which examination and report negated any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. If immediately preceding the date of disablement or death, any individual who by nature of their position provides emergency medical care, or an employee who was employed as a licensed police officer under section 626.84, subdivision 1; firefighter; paramedic; state correctional officer; emergency medical technician; or licensed nurse providing emergency medical care; and who contracts an infectious or communicable disease to which the employee was exposed in the course of employment outside of a hospital, then the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment and the presumption may be rebutted by substantial factors brought by the employer or insurer. Any substantial factors which shall be used to rebut this presumption and which are known to the employer or insurer at the time of the denial of liability shall be communicated to the employee on the denial of liability.

(c) A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer.

(d) For the purposes of this chapter, "mental impairment" means a diagnosis of post-traumatic stress disorder by a licensed psychiatrist or psychologist. For the purposes of this chapter, "post-traumatic stress disorder" means the condition as described in the most recently published edition of the Diagnostic and Statistical Manual of Mental

Disorders by the American Psychiatric Association. For purposes of section 79.34, subdivision 2, one or more compensable mental impairment claims arising out of a single event or occurrence shall constitute a single loss occurrence.

EFFECTIVE DATE. This section is effective for employees with dates of injury on or after October 1, 2013.

Sec. 2. Minnesota Statutes 2012, section 176.129, subdivision 2a, is amended to read:

Subd. 2a. **Payments to fund.** (a) On or before April 1 of each year, all self-insured employers shall report paid indemnity losses and insurers shall report paid indemnity losses and standard workers' compensation premium in the form and manner prescribed by the commissioner. On June 1 of each year, the commissioner shall determine the total amount needed to pay all estimated liabilities, including administrative expenses, of the special compensation fund for the following fiscal year. The commissioner shall assess this amount against self-insured employers and insurers. The total amount of the assessment must be allocated between self-insured employers and insured employers based on paid indemnity losses for the preceding calendar year, as provided by paragraph (b). The method of assessing self-insured employers must be based on paid indemnity losses, as provided by paragraph (c). The method of assessing insured employers is based on standard workers' compensation premium, as provided by paragraph (c). Each insurer shall collect the assessment through a policyholder surcharge as provided by paragraph (d). On or before June 30 of each year, the commissioner shall provide notification to each self-insured employer and insurer of amounts due. Each self-insured employer and each insurer shall pay at least one-half of the amount due to the commissioner for deposit into the special compensation fund on or before August 1 of the same calendar year. The remaining balance is due on February 1 of the following calendar year. Each insurer must pay the full amount due as stated in the commissioner's notification, regardless of the amount the insurer actually collects from the ~~premium~~ policyholder surcharge.

(b) The portion of the total assessment that is allocated to self-insured employers is the proportion that paid indemnity losses made by all self-insured employers bore to the total paid indemnity losses made by all self-insured employers and insured employers during the preceding calendar year. The portion of the total assessment that is allocated to insured employers is the proportion that paid indemnity losses made on behalf of all insured employers bore to the total paid indemnity losses made by all self-insured employers and insured employers during the preceding calendar year.

(c) The portion of the total assessment allocated to self-insured employers that shall be paid by each self-insured employer must be based upon paid indemnity losses made by that self-insured employer during the preceding calendar year. The portion of the total assessment allocated to insured employers that is paid by each insurer must be based on standard workers' compensation premium earned in the state by that insurer during the ~~preceding~~ current calendar year. If the current calendar year earned standard workers' compensation premium is not available, the commissioner shall estimate the portion of the total assessment allocated to insured employers that is paid by each insurer using the earned standard workers' compensation premium from the preceding calendar year. The commissioner shall then perform a reconciliation and final determination of the portion of the total assessment to be paid by each insurer when the earned standard workers' compensation premium for the current calendar year is calculable, but the final determination must not be made after December 1 of the following calendar year. An employer who has ceased to be self-insured shall continue to be liable for assessments based on paid indemnity losses arising out of injuries occurring during periods when the employer was self-insured, unless the self-insured employer has purchased a replacement policy covering those losses. An insurer who assumes a self-insured employer's obligation under a replacement policy shall separately report and pay assessments based on indemnity losses paid by the insurer under the replacement policy. The replacement policy may provide for reimbursement of the assessment to the insurer by the self-insured employer.

(d) Insurers shall collect the assessments from their insured employers through a surcharge based on standard workers' compensation premium for each employer. Assessments when collected do not constitute an element of loss for the purpose of establishing rates for workers' compensation insurance but for the purpose of collection are

treated as separate costs imposed on insured employers. The ~~premium policyholder~~ surcharge is included in the definition of gross premium as defined in section 297I.01 only for premium tax purposes. An insurer may cancel a policy for nonpayment of the ~~premium policyholder~~ surcharge. The ~~premium policyholder~~ surcharge is excluded from the definition of premium for all other purposes, except as otherwise provided in this paragraph.

(e) For purposes of this section, the workers' compensation assigned risk plan established under section 79.252, shall report and pay assessments on standard workers' compensation premium in the same manner as an insurer.

EFFECTIVE DATE. This section is effective for assessments due under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (a), on August 1, 2013, and February 1, 2014, and for the first reconciliation and final determination under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (c), due on or before December 1, 2014.

Sec. 3. Minnesota Statutes 2012, section 176.129, subdivision 7, is amended to read:

Subd. 7. **Refunds.** In case deposit is or has been made pursuant to subdivision 2a by mistake or inadvertence, or under circumstances that justice requires a refund, the commissioner of management and budget is authorized to refund the deposit under order of the commissioner, a compensation judge, the Workers' Compensation Court of Appeals, or a district court. Claims for refunds must be submitted to the commissioner within three years of the ~~assessment due~~ date of reconciliation and final determination under subdivision 2a. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.

EFFECTIVE DATE. This section is effective for assessments due under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (a), on August 1, 2013, and February 1, 2014, and for the first reconciliation and final determination under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (c), due on or before December 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 176.135, subdivision 7, is amended to read:

Subd. 7. **Medical bills and records.** (a) Health care providers shall submit to the insurer an itemized statement of charges in the standard electronic transaction format when required by section 62J.536 or, if there is no prescribed standard electronic transaction format, on a billing form prescribed by the commissioner. Health care providers shall also submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury. Health care providers may charge for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter. The commissioner shall adopt a schedule of reasonable charges by rule.

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

A United States government facility rendering health care services to veterans is not subject to the uniform billing form requirements of this subdivision.

(b) For medical services provided under this section on or after October 1, 2014, the codes from the International Classification of Diseases, Tenth Edition, Clinical Modification/Procedure Coding System (ICD-10), must be used to report medical diagnoses and hospital inpatient procedures. The commissioner must replace the codes from the International Classification of Diseases, Ninth Edition, Clinical Modification/Procedure Coding System (ICD-9), with equivalent ICD-10 codes wherever the ICD-9 codes appear in rules adopted under this chapter. The commissioner must use the General Equivalence Mappings established by the Centers for Medicare and Medicaid Services to replace the ICD-9 diagnostic codes with ICD-10 codes in the rules.

Sec. 5. Minnesota Statutes 2012, section 176.136, subdivision 1a, is amended to read:

Subd. 1a. **Relative value fee schedule.** (a) The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The commissioner shall adopt permanent rules regulating fees allowable for medical, chiropractic, podiatric, surgical, and other health care provider treatment or service, including those provided to hospital outpatients, by implementing a relative value fee schedule. The commissioner may adopt by reference, according to the procedures in paragraph (h), clause (2), the relative value fee schedule tables adopted for the federal Medicare program. The relative value fee schedule must contain reasonable classifications including, but not limited to, classifications that differentiate among health care provider disciplines. The conversion factors for the original relative value fee schedule must reasonably reflect a 15 percent overall reduction from the medical fee schedule most recently in effect. The reduction need not be applied equally to all treatment or services, but must represent a gross 15 percent reduction.

(b) Effective October 1, 2005, the commissioner shall remove all scaling factors from the relative value units and establish four separate conversion factors according to paragraphs (c) and (d) for each of the following parts of Minnesota Rules:

(1) medical/surgical services in Minnesota Rules, part 5221.4030, as defined in part 5221.0700, subpart 3, item C, subitem (2);

(2) pathology and laboratory services in Minnesota Rules, part 5221.4040, as defined in part 5221.0700, subpart 3, item C, subitem (3);

(3) physical medicine and rehabilitation services in Minnesota Rules, part 5221.4050, as defined in part 5221.0700, subpart 3, item C, subitem (4); and

(4) chiropractic services in Minnesota Rules, part 5221.4060, as defined in part 5221.0700, subpart 3, item C, subitem (5).

~~(c) The four conversion factors established under paragraph (b) shall be calculated so that there is no change in each maximum fee for each service under the current fee schedule, except as provided in paragraphs (d) and (e).~~

~~(d) By October 1, 2006, the conversion factor for chiropractic services described in paragraph (b), clause (4), shall be increased to equal 72 percent of the conversion factor for medical/surgical services described in paragraph (b), clause (1). Beginning October 1, 2005, the increase in chiropractic conversion factor shall be phased in over two years by approximately equal percentage point increases.~~

~~(e) When adjusting the conversion factors in accordance with paragraph (g) on October 1, 2005, and October 1, 2006, the commissioner may adjust by no less than zero, all of the conversion factors as necessary to offset any overall increase in payments under the fee schedule resulting from the increase in the chiropractic conversion factor.~~

~~(f) The commissioner shall give notice of the relative value units and conversion factors established under paragraphs (b), (c), and (d) according to the procedures in section 14.386, paragraph (a). The relative value units and conversion factors established under paragraphs (b), (c), and (d) are not subject to expiration under section 14.386, paragraph (b).~~

~~(g)~~ (c) The conversion factors shall be adjusted as follows:

(1) After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1 by no more than the percentage change computed under section 176.645, but without the annual cap provided by that section.

(2) Each time the workers' compensation relative value fee schedule tables are updated under paragraph (h), the commissioner shall adjust the conversion factors so that, for services in both fee schedules, there is no difference between the overall payment in each category of service listed in paragraph (b) under the new schedule and the overall payment for that category under the workers' compensation fee schedule most recently in effect. This adjustment must be made before making any additional adjustment under clause (1).

~~(h)~~ (d) The commissioner shall give notice of the adjusted conversion factors and updates to the relative value fee schedule as follows:

(1) The commissioner shall annually give notice in the State Register of the adjusted conversion factors and any amendments to rules to implement Medicare relative value tables incorporated by reference under this subdivision. The notices of the adjusted conversion factors and amended rules to implement the relative value tables are subject to the requirements of section 14.386, paragraph (a). The annual adjustments to the conversion factors and the medical fee schedules adopted under this section, including all previous fee schedules, are not subject to expiration under section 14.386, paragraph (b).

(2) The commissioner shall periodically, but at least once every three years, update the workers' compensation relative value tables by incorporating by reference the relative value tables in the national physician fee schedule relative value file established by the Centers for Medicare and Medicaid Services. The commissioner shall publish the notices of the incorporation by reference in the State Register at least 60 days before the tables are to become effective for purposes of payment under this section. Each notice of incorporation must state the date the incorporated tables will become effective and must include information on how the Medicare relative value tables may be obtained. The published notices of incorporation by reference and the incorporated tables are not rules subject to section 14.386 or other provisions of chapter 14, but have the force and effect of law as of the date specified in the notices.

Sec. 6. Minnesota Statutes 2012, section 176.231, subdivision 2, is amended to read:

Subd. 2. **Initial report, written report.** Where subdivision 1 requires an injury to be reported within 48 hours, the employer may make an initial report by telephone, ~~telegraph~~, or personal notice, and file a written report of the injury within seven days from its occurrence or within such time as the commissioner of labor and industry designates. All written reports of injuries required by subdivision 1 shall include the date of injury. The reports shall be on a form designed by the commissioner, with a clear copy suitable for imaging to the commissioner, one copy to the insurer, and one copy to the employee.

The employer must give the employee the "Minnesota Workers' Compensation System Employee Information Sheet" at the time the employee is given a copy of the first report of injury.

If an insurer or self-insurer repeatedly fails to pay benefits within three days of the due date, pursuant to section 176.221, the insurer or self-insurer shall be ordered by the commissioner to explain, in person, the failure to pay benefits due in a reasonable time. If prompt payments are not thereafter made, the commissioner shall refer the insurer or self-insurer to the commissioner of commerce for action pursuant to section 176.225, subdivision 4.

Sec. 7. Minnesota Statutes 2012, section 176.305, subdivision 1a, is amended to read:

Subd. 1a. **Settlement and pretrial conferences; summary decision.** The chief administrative law judge shall promptly assign the petition to a compensation judge under section 176.307, and shall schedule a settlement conference before a compensation judge, to be held no later than 180 days after a claim petition was filed, or 45 days after a petition to discontinue, objection to discontinuance, or request for formal hearing was filed.

All parties must appear at the settlement conference, either personally or by representative, must be prepared to discuss settlement of all issues, and must be prepared to discuss or present the information required by the joint rules of the division and the office. If a representative appears on behalf of a party, the representative must have authority to fully settle the matter. The parties shall serve and file a pretrial statement no fewer than five days before the settlement conference.

If settlement is not reached, the chief administrative law judge shall schedule a hearing to be held within 90 days from the scheduled settlement conference. However, the hearing must be held earlier than 90 days from the scheduled settlement conference if this chapter requires an expedited hearing to be held at an earlier date. The hearing must be held before a compensation judge other than the compensation judge who conducted the settlement conference. The compensation judge assigned to hold the hearing may choose to conduct a pretrial conference to clarify the issues and evidence that will be presented at the hearing.

Cancellations and continuations of proceedings are disfavored but may be granted upon the showing of good cause under section 176.341, subdivision 4.

The compensation judge conducting the settlement conference may require the parties to present copies of all documentary evidence not previously filed and a summary of the evidence they will present at a formal hearing. If appropriate, a written summary decision shall be issued within ten days after the conference stating the issues and a determination of each issue. If a party fails to appear at the conference, all issues may be determined contrary to the absent party's interest, provided the party in attendance presents a prima facie case.

The summary decision is final unless a written request for a formal hearing is served on all parties and filed with the commissioner within 30 days after the date of service and filing of the summary decision. Within ten days after receipt of the request, the commissioner shall certify the matter to the office for a de novo hearing. ~~In proceedings under section 176.2615, the summary decision is final and not subject to appeal or de novo proceedings.~~

Sec. 8. **REPEALER.**

Minnesota Statutes 2012, sections 175.006, subdivision 1; 175.08; 175.14; 175.26; 176.1311; 176.136, subdivision 3; 176.2615; and 176.641, are repealed.

ARTICLE 4
MISCELLANEOUS FOR JOBS AND ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2012, section 469.084, is amended by adding a subdivision to read:

Subd. 1a. **Meetings by telephone or other electronic means.** The port authority may conduct meetings as provided by section 13D.015.

ARTICLE 5
PUBLIC SAFETY AND CORRECTIONS APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2014</u>	<u>2015</u>	<u>Total</u>
<u>General</u>	<u>\$-0-</u>	<u>\$17,525,000</u>	<u>\$17,525,000</u>
<u>State Government Special Revenue</u>	<u>6,359,000</u>	<u>6,865,000</u>	<u>13,224,000</u>
<u>Total</u>	<u>\$6,359,000</u>	<u>\$24,390,000</u>	<u>\$30,749,000</u>

Sec. 2. **APPROPRIATIONS.**

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

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

Sec. 3. **DEPARTMENT OF PUBLIC SAFETY**

<u>Subdivision 1. Total Appropriation</u>	<u>\$6,359,000</u>	<u>\$13,126,000</u>
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Appropriations by Fund

<u>General</u>	-0-	<u>6,261,000</u>
<u>State Government Special</u>		
<u>Revenue</u>	<u>6,359,000</u>	<u>6,865,000</u>

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

<u>Subd. 2. Emergency Communication Networks</u>	<u>5,059,000</u>	<u>6,865,000</u>
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This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

<u>Subd. 3. Office of Justice Programs</u>	<u>-0-</u>	<u>600,000</u>
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(a) \$300,000 in 2015 is for grants to fund emergency shelter, housing, or advocacy services targeted to culturally specific programming for newer immigrant populations. The funds must be awarded to a program or programs that demonstrate leadership in the community to be served. This appropriation is added to the base.

(b) \$300,000 in 2015 is for grants to sexual assault advocacy programs for sexual violence community prevention networks. For purposes of this section, "sexual assault" means a violation of Minnesota Statutes, sections 609.342 to 609.3453. This appropriation is added to the base.

Subd. 4. Emergency Management-0-5,661,000

\$5,661,000 in 2015 is for the disaster assistance contingency account in Minnesota Statutes, section 12.221. These funds are available until spent.

Subd. 5. Fire Safety Account1,300,000-0-

\$1,300,000 in 2014 is appropriated from the fire safety account in the special revenue fund to the commissioner of public safety for activities and programs under Minnesota Statutes, section 299F.012. This is a onetime appropriation. By January 15, 2015, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over the fire safety account regarding the balances and uses of the account.

Sec. 4. CORRECTIONS**Subdivision 1. Total Appropriation**\$-0-\$11,214,000

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

Subd. 2. Correctional Institutions-0-11,089,000

This includes a onetime appropriation of \$11,089,000.

Subd. 3. Operations Support-0-125,000**Sec. 5. PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD**-0-50,000

\$50,000 in 2015 is for training state and local community safety personnel in the use of crisis de-escalation techniques for use with Minnesota veterans following their return from active military service in a combat zone. The director may consult with any other state or local governmental official or nongovernmental authority the director determines to be relevant, to include postsecondary institutions, when selecting a service provider for this training. The training provider must have a demonstrated understanding of the transitions and challenges that veterans may experience during their re-entry into society following combat service. The training opportunities provided must be reasonably distributed statewide. This is a onetime appropriation.

Sec. 6. Laws 2009, chapter 83, article 1, section 10, subdivision 7, is amended to read:

Subd. 7. Emergency Communication Networks

66,470,000

70,233,000

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

(a) **Public Safety Answering Points.** \$13,664,000 each year is to be distributed as provided in Minnesota Statutes, section 403.113, subdivision 2.

(b) **Medical Resource Communication Centers.** \$683,000 each year is for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000.

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

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

(d) **Metropolitan Council Debt Service.** \$1,410,000 each year is to the commissioner of finance for payment to the Metropolitan Council for debt service on bonds issued under Minnesota Statutes, section 403.27.

(e) **ARMER State Backbone Operating Costs.** \$5,060,000 each year is to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(f) **ARMER Improvements.** \$1,000,000 each year is for the Statewide Radio Board for costs of design, construction, maintenance of, and improvements to those elements of the statewide public safety radio and communication system that support mutual aid communications and emergency medical services or provide enhancement of public safety communication interoperability.

(g) **Next Generation 911.** \$3,431,000 the first year and \$6,490,000 the second year are to replace the current system with the Next Generation Internet Protocol (IP) based network. This appropriation is available until expended. The base level of funding for fiscal year 2012 shall be \$2,965,000.

(h) **Grants to Local Government.** \$5,000,000 the first year is for grants to local units of government to assist with the transition to the ARMER system. This appropriation is available until June 30, 2012.

Sec. 7. Laws 2013, chapter 86, article 1, section 12, subdivision 3, as amended by Laws 2013, chapter 140, section 2, is amended to read:

Subd. 3. Criminal Apprehension	47,588,000	47,197,000
Appropriations by Fund		
General	42,315,000	42,924,000
Special Revenue	3,000,000	2,000,000
State Government Special Revenue	7,000	7,000
Trunk Highway	2,266,000	2,266,000

(a) DWI Lab Analysis; Trunk Highway Fund

Notwithstanding Minnesota Statutes, section 161.20, subdivision 3, \$1,941,000 each year is from the trunk highway fund for laboratory analysis related to driving-while-impaired cases.

(b) Criminal History System

\$50,000 the first year and \$580,000 the second year from the general fund and, notwithstanding Minnesota Statutes, section 299A.705, subdivision 4, \$3,000,000 the first year and \$2,000,000 the second year from the vehicle services account in the special revenue fund are to replace the state criminal history system. This appropriation is available until expended. Of this amount, \$2,980,000 the first year and \$2,580,000 the second year are for a onetime transfer to the Office of Enterprise Technology for start-up costs. Service level agreements must document all project-related transfers under this paragraph. Ongoing operating and support costs for this system shall be identified and incorporated into future service level agreements.

The commissioner is authorized to use funds appropriated under this paragraph for the purposes specified in paragraph (c).

The general fund base for this program is \$4,930,000 in fiscal year 2016 and \$417,000 in fiscal year 2017.

(c) Criminal Reporting System

\$1,360,000 the first year and \$1,360,000 the second year from the general fund are to replace the state's crime reporting system and include one full-time equivalent business analyst. This appropriation is available until expended. Of these amounts, \$1,360,000 the first year and ~~\$1,360,000~~ \$1,290,000 the second year are for a onetime transfer to the Office of Enterprise Technology for start-up costs. Service level agreements must document all project-related transfers under this paragraph. Ongoing operating and support costs for this system shall be identified and incorporated into future service level agreements.

The commissioner is authorized to use funds appropriated under this paragraph for the purposes specified in paragraph (b).

The base funding for this program is \$1,360,000 in fiscal year 2016 and \$380,000 in fiscal year 2017.

(d) Forensic Laboratory

\$125,000 the first year and \$125,000 the second year from the general fund and, notwithstanding Minnesota Statutes, section 161.20, subdivision 3, \$125,000 the first year and \$125,000 the second year from the trunk highway fund are to replace forensic laboratory equipment at the Bureau of Criminal Apprehension.

\$200,000 the first year and \$200,000 the second year from the general fund and, notwithstanding Minnesota Statutes, section 161.20, subdivision 3, \$200,000 the first year and \$200,000 the second year from the trunk highway fund are to improve forensic laboratory staffing at the Bureau of Criminal Apprehension.

(e) Livescan Fingerprinting

\$310,000 the first year and \$389,000 the second year from the general fund are to maintain Livescan fingerprinting machines.

(f) Report

If the vehicle services special revenue account accrues an unallocated balance in excess of 50 percent of the previous fiscal year's expenditures, the commissioner of public safety shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation and public safety policy and finance. The report must contain specific policy and legislative recommendations for reducing the fund balance and avoiding future excessive fund balances. The report is due within three months of the fund balance exceeding the threshold established in this paragraph.

Sec. 8. Laws 2013, chapter 86, article 1, section 13, is amended to read:

**Sec. 13. PEACE OFFICER STANDARDS AND TRAINING
(POST) BOARD**

\$3,870,000

\$3,870,000

(a) Excess Amounts Transferred

This appropriation is from the peace officer training account in the special revenue fund. Any new receipts credited to that account in the first year in excess of \$3,870,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of \$3,870,000 must be transferred and credited to the general fund.

(b) Peace Officer Training Reimbursements

\$2,734,000 each year is for reimbursements to local governments for peace officer training costs.

(c) Training; Sexually Exploited and Trafficked Youth

Of the appropriation in paragraph (b), \$100,000 the first year is for reimbursements to local governments for peace officer training costs on sexually exploited and trafficked youth, including effectively identifying sex trafficked victims and traffickers, investigation techniques, and assisting sexually exploited youth. These funds are available until June 30, 2016.

Reimbursement shall be provided on a flat fee basis of \$100 per diem per officer.

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

ARTICLE 6
PUBLIC SAFETY AND CORRECTIONS

Section 1. Minnesota Statutes 2012, section 13.84, subdivision 5, is amended to read:

Subd. 5. **Disclosure.** Private or confidential court services data shall not be disclosed except:

(a) pursuant to section 13.05;

(b) pursuant to a statute specifically authorizing disclosure of court services data;

(c) with the written permission of the source of confidential data;

(d) to the court services department, parole or probation authority or state or local correctional agency or facility having statutorily granted supervision over the individual subject of the data;

(e) pursuant to subdivision 6; ~~or~~

(f) pursuant to a valid court order; ~~or~~

(g) pursuant to section 611A.06, subdivision 6.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 2. Minnesota Statutes 2012, section 13.84, subdivision 6, is amended to read:

Subd. 6. **Public benefit data.** (a) The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to:

(1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; and

(2) criminal acts or delinquent acts to the victims of criminal or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution.

(b) A parole or probation authority, a correctional agency, or agencies that provide correctional services under contract to a correctional agency may release to a law enforcement agency the following data on defendants, parolees, or probationers: current address, dates of entrance to and departure from agency programs, and dates and times of any absences, both authorized and unauthorized, from a correctional program.

(c) The responsible authority or its designee of a juvenile correctional agency may release private or confidential court services data to a victim of a delinquent act to the extent the data are necessary to enable the victim to assert the victim's right to request notice of release under section 611A.06. The data that may be released include only the name, home address, and placement site of a juvenile who has been placed in a juvenile correctional facility as a result of a delinquent act.

(d) Upon the victim's written or electronic request and, if the victim and offender have been household or family members as defined in section 518B.01, subdivision 1, paragraph (b), the commissioner of corrections or the commissioner's designee may disclose to the victim of an offender convicted of a crime pursuant to section 609.02, subdivision 16, notification of the city and five-digit zip code of the offender's residency upon or after release from a Department of Corrections facility, unless:

(1) the offender is not supervised by the commissioner of corrections or the commissioner's designee at the time of the victim's request;

(2) the commissioner of corrections or the commissioner's designee does not have the city or zip code; or

(3) the commissioner of corrections or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 3. Minnesota Statutes 2012, section 243.167, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "crime against the person" means a violation of any of the following or a similar law of another state or of the United States: section 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.224, subdivision 2 or 4; 609.2242, subdivision 2 or 4; 609.2247; 609.235; 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision 2 3; 609.498, subdivision 1; 609.582, subdivision 1; or 617.23, subdivision 2; or any felony-level violation of section 609.229; 609.377; 609.749; or 624.713.

Sec. 4. Minnesota Statutes 2012, section 299F.012, subdivision 1, is amended to read:

Subdivision 1. **Authorized programs within department.** From the revenues appropriated from the fire safety account, established under section 297I.06, subdivision 3, the commissioner of public safety may expend funds for the activities and programs identified by the advisory committee established under subdivision 2 and recommended to the commissioner of public safety. The commissioner shall not expend funds without the recommendation of the advisory committee established under subdivision 2. The commissioner shall not expend funds without the recommendation of the advisory committee established under subdivision 2. These funds are to be used to provide resources needed for identified activities and programs of the Minnesota fire service and to ensure the State Fire Marshal Division responsibilities are fulfilled.

Sec. 5. Minnesota Statutes 2012, section 299F.012, subdivision 2, is amended to read:

Subd. 2. **Fire Service Advisory Committee.** (a) The Fire Service Advisory Committee shall provide recommendations to the commissioner of public safety on fire service-related issues and shall consist of representatives of each of the following organizations: two appointed by the president of the Minnesota State Fire Chiefs Association, two appointed by the president of the Minnesota State Fire Department Association, two appointed by the president of the Minnesota Professional Fire Fighters, two appointed by the president of the League of Minnesota Cities, one appointed by the president of the Minnesota Association of Townships, one appointed by the president of the Insurance Federation of Minnesota, one appointed jointly by the presidents of the Minnesota Chapter of the International Association of Arson Investigators and the Fire Marshals Association of Minnesota, and the commissioner of public safety or the commissioner's designee. The commissioner of public safety must ensure that at least three of the members of the advisory committee work and reside in counties outside of the seven-county metropolitan area. The committee shall provide funding recommendations to the commissioner of public safety from the fire safety fund for the following purposes:

- (1) for the Minnesota Board of Firefighter Training and Education;
- (2) for programs and staffing for the State Fire Marshal Division; and
- (3) for fire-related regional response team programs and any other fire service programs that have the potential for statewide impact.

(b) The committee under paragraph (a) does not expire.

Sec. 6. Minnesota Statutes 2012, section 609.135, subdivision 2, is amended to read:

Subd. 2. **Stay of sentence maximum periods.** (a) If the conviction is for a felony other than section 609.21, subdivision 1a, paragraph (b) or (c), the stay shall be for not more than four years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169A.20 or 609.21, subdivision 1a, paragraph (d), or for a felony described in section 609.21, subdivision 1a, paragraph (b) or (c), the stay shall be for not more than six years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.

(c) If the conviction is for a gross misdemeanor violation of section 609.3451, subdivision 1, the stay shall be for not more than six years.

~~(d)~~ (d) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

~~(e)~~ (e) If the conviction is for any misdemeanor under section 169A.20; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

~~(f)~~ (f) If the conviction is for a misdemeanor not specified in paragraph ~~(d)~~ (e), the stay shall be for not more than one year.

~~(f)~~ (g) The defendant shall be discharged six months after the term of the stay expires, unless the stay has been revoked or extended under paragraph ~~(g)~~ (h), or the defendant has already been discharged.

~~(g)~~ (h) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to ~~(f)~~ (g), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

- (1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and
- (2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Nothing in this subdivision limits the court's ability to refer the case to collections under section 609.104.

~~(h)~~ (i) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to ~~(f)~~ (g), a court may extend a defendant's term of probation for up to three years if it finds, at a hearing conducted under subdivision 1c, that:

- (1) the defendant has failed to complete court-ordered treatment successfully; and
- (2) the defendant is likely not to complete court-ordered treatment before the term of probation expires.

EFFECTIVE DATE. This section is effective August 1, 2014, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2012, section 609.3451, subdivision 3, is amended to read:

Subd. 3. **Felony.** A person is guilty of a felony and may be sentenced to imprisonment for not more than ~~five years~~ 144 months or to payment of a fine of not more than \$10,000, or both, if the person violates ~~subdivision 1, clause (2), this section~~ within 15 years after having been previously convicted of or adjudicated delinquent for violating subdivision 1, clause (2) this section; sections 609.342 to 609.345; or 609.3453; section 617.23, subdivision 2, clause (1); 617.247; or a statute from another state in conformity with subdivision 1, clause (2), or section 617.23, subdivision 2, clause (1) therewith.

EFFECTIVE DATE. This section is effective August 1, 2014, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2012, section 611A.06, is amended by adding a subdivision to read:

Subd. 6. **Offender location.** (a) Upon the victim's written or electronic request and if the victim and offender have been household or family members as defined in section 518B.01, subdivision 2, paragraph (b), the commissioner of corrections or the commissioner's designee shall disclose to the victim of an offender convicted of a crime pursuant to section 609.02, subdivision 16, notification of the city and five-digit zip code of the offender's residency upon release from a Department of Corrections facility, unless:

(1) the offender is not supervised by the commissioner of corrections or the commissioner's designee at the time of the victim's request;

(2) the commissioner of corrections or the commissioner's designee does not have the city or zip code; or

(3) the commissioner of corrections or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.

(b) All identifying information regarding the victim including, but not limited to, the notification provided by the commissioner of corrections or the commissioner's designee is classified as private data on individuals as defined in section 13.02, subdivision 12, and is accessible only to the victim.

EFFECTIVE DATE. This section is effective January 15, 2015.

Sec. 9. **REVISOR'S INSTRUCTION.**

In the next edition of Minnesota Statutes, the revisor of statutes shall change the headnote of section 609.3451, subdivision 2, from "Penalty" to "Gross misdemeanor."

ARTICLE 7
COMMERCE

Section 1. Laws 2013, chapter 85, article 1, section 5, is amended to read:

Sec. 5. **EXPLORE MINNESOTA TOURISM** **\$13,988,000** **\$13,988,000**

(a) To develop maximum private sector involvement in tourism, \$500,000 in fiscal year 2014 and \$500,000 in fiscal year 2015 must be matched by Explore Minnesota Tourism from nonstate sources. Each \$1 of state incentive must be matched with \$6 of private sector funding. Cash match is defined as revenue to the state or documented cash expenditures directly expended to support Explore Minnesota Tourism programs. Up to one-half of the private sector contribution may be in-kind or soft match. The incentive in fiscal year 2014 shall be based on fiscal year 2013 private sector contributions. The incentive in fiscal year 2015 shall be based on fiscal year 2014 private sector contributions. This incentive is ongoing.

Funding for the marketing grants is available either year of the biennium. Unexpended grant funds from the first year are available in the second year.

(b) \$100,000 of the second year appropriation is for a grant to the Mille Lacs Tourism Council to enhance marketing activities related to tourism promotion in the Mille Lacs Lake area.

(c) \$100,000 of the second year appropriation is for additional marketing activities.

(d) \$225,000 of the second year Explore Minnesota appropriation is for a grant in the amount of \$75,000 to each of the following: (1) the Pine City Area Chamber of Commerce to enhance marketing activities for recreation and tourism in the Snake River and Cross Lake areas; (2) the Morris Area Chamber of Commerce to enhance marketing activities for recreation and tourism in the

Pomme de Terre River and Crystal Lake areas; and (3) the Spicer Commercial Club to enhance marketing activities for recreation and tourism in Green Lake and surrounding recreational areas.

Sec. 2. **RACING COMMISSION.**

\$100,000 in fiscal year 2014 and \$85,000 in fiscal year 2015 are appropriated from the racing and card playing regulation account in the special revenue fund to the Minnesota Racing Commission. These appropriations are onetime and are available either year of the biennium.

ARTICLE 8
DISASTER ASSISTANCE FOR PUBLIC ENTITIES; FEDERAL AID GRANTED

Section 1. Minnesota Statutes 2012, section 12.03, is amended by adding a subdivision to read:

Subd. 5d. **Local government.** "Local government" has the meaning given in Code of Federal Regulations, title 44, section 206.2 (2012).

Sec. 2. Minnesota Statutes 2012, section 12.03, is amended by adding a subdivision to read:

Subd. 6b. **Nonfederal share.** "Nonfederal share" has the meaning given in section 12A.02, subdivision 7.

Sec. 3. Minnesota Statutes 2012, section 12.221, subdivision 4, is amended to read:

Subd. 4. **Subgrant agreements; state share.** (a) The state director, serving as the governor's authorized representative, may enter into subgrant agreements with eligible applicants to provide federal and state financial assistance made available as a result of a disaster declaration.

(b) When state funds are used to provide the FEMA Public Assistance Program cost-share requirement for a local government, the state director must award a local government 100 percent of the nonfederal share of the local government's FEMA Public Assistance Program costs.

Sec. 4. Minnesota Statutes 2012, section 12.221, is amended by adding a subdivision to read:

Subd. 6. **Disaster assistance contingency account; appropriation.** (a) A disaster assistance contingency account is created in the general fund in the state treasury. Money in the disaster assistance contingency account is appropriated to the commissioner of public safety to provide:

(1) cost-share for federal assistance under section 12A.15, subdivision 1; and

(2) state public disaster assistance to eligible applicants under chapter 12B.

(b) For appropriations under paragraph (a), clause (1), the amount appropriated is 100 percent of any nonfederal share for state agencies and local governments. Money appropriated under paragraph (a), clause (1), may be used to pay all or a portion of the nonfederal share for publicly owned capital improvement projects.

(c) For appropriations under paragraph (a), clause (2), the amount appropriated is the amount required to pay eligible claims under chapter 12B, as certified by the commissioner of public safety.

(d) If the amount appropriated is insufficient to cover costs for paragraph (a), clauses (1) and (2), the commissioner of public safety shall pay up to an additional \$4,000,000 from the general fund appropriation provided under this paragraph. No payment shall be made under this paragraph until:

(1) the commissioner of public safety has given the commissioner of management and budget an estimate of the additional funds required;

(2) the commissioner of management and budget has reported the estimate to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee; and

(3) the commissioner of management and budget has approved the payments.

(e) Amounts approved by the commissioner of management and budget, up to \$4,000,000 per fiscal year, are appropriated from the general fund to the commissioner of public safety. By January 15 of each year, the commissioner of management and budget shall submit a report to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee detailing state disaster assistance appropriations and expenditures under this subdivision during the previous calendar year.

(f) The governor's budget proposal submitted to the legislature under section 16A.11 must include recommended appropriations to the disaster assistance contingency account. The governor's appropriation recommendations must be informed by the commissioner of public safety's estimate of the amount of money that will be necessary to:

(1) provide 100 percent of the nonfederal share for state agencies and local governments that will receive federal financial assistance from FEMA during the next biennium; and

(2) fully pay all eligible claims under chapter 12B.

(g) Notwithstanding section 16A.28:

(1) funds appropriated or transferred to the disaster assistance contingency account do not lapse but remain in the account until appropriated; and

(2) funds appropriated from the disaster assistance contingency account do not lapse and are available until expended.

Sec. 5. Minnesota Statutes 2012, section 12A.02, subdivision 2, is amended to read:

Subd. 2. **Appropriation.** "Appropriation" means an appropriation provided in law specifically to implement this chapter, including but not limited to a statutory appropriation to provide the required cost-share for federal disaster assistance under section 12.221.

Sec. 6. Minnesota Statutes 2012, section 12A.02, is amended by adding a subdivision to read:

Subd. 6. **Local government.** "Local government" has the meaning given in section 12.03, subdivision 5d.

Sec. 7. Minnesota Statutes 2012, section 12A.02, is amended by adding a subdivision to read:

Subd. 7. **Nonfederal share.** "Nonfederal share" means that portion of total FEMA Public Assistance Program costs that is no more than 25 percent and is not eligible for FEMA reimbursement.

Sec. 8. Minnesota Statutes 2012, section 12A.03, subdivision 3, is amended to read:

Subd. 3. **Nonduplication of federal assistance.** State assistance may not duplicate or supplement eligible FEMA Public Assistance Program assistance. For eligible Public Assistance Program costs, any state ~~matching cost-share~~ money made available for that assistance must be disbursed by the Department of Public Safety to a state agency, local ~~political subdivision, Indian-tribe government,~~ or other applicant. State assistance distributed by a state agency, other than the Department of Public Safety, to a ~~political subdivision~~ local government or other applicant for disaster costs that are eligible for FEMA Public Assistance Program assistance constitutes an advance of funds. Such advances must be repaid to the applicable state agency when the applicant has received the FEMA Public Assistance Program assistance, and whatever state ~~matching cost-share~~ money may be made available for that assistance, from the Department of Public Safety.

Sec. 9. Minnesota Statutes 2012, section 12A.15, subdivision 1, is amended to read:

Subdivision 1. **State match cost-share for federal assistance.** State appropriations may be used ~~for payment of the state match for federal disaster assistance to pay 100 percent of the nonfederal share for state agencies. If authorized in law, state appropriations may be used to pay all or a portion of the local share of the match for federal funds for political subdivisions and local governments~~ under section 12.221. An appropriation from the bond proceeds fund may be used ~~to fund federal match obligations as cost-share for federal disaster assistance~~ for publicly owned capital improvement projects ~~resulting from the receipt of federal disaster assistance.~~

Sec. 10. Minnesota Statutes 2012, section 16A.28, is amended by adding a subdivision to read:

Subd. 9. **Disaster assistance.** (a) The commissioner of management and budget must transfer the unexpended and unencumbered balance of a general fund disaster assistance appropriation that expires as provided under this section or as otherwise provided by law to the disaster assistance contingency account in section 12.221, subdivision 6.

(b) Expired disaster assistance transferred to the disaster assistance contingency account is appropriated as provided under section 12.221, subdivision 6, regardless of the specific disaster event or purpose for which the expired disaster assistance was originally appropriated.

(c) The commissioner must report each transfer to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee.

(d) For the purposes of this subdivision, "disaster assistance appropriation" means an appropriation from the general fund to provide cost-share required for federal disaster assistance or to provide other state disaster assistance under chapter 12A or 12B.

Sec. 11. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 9 DISASTER ASSISTANCE FOR PUBLIC ENTITIES; ABSENT FEDERAL AID

Section 1. **[12B.10] PUBLIC DISASTER ASSISTANCE; ABSENT FEDERAL AID.**

This chapter establishes a state public assistance program to provide cost-share assistance to local governments that sustain significant damage on a per capita basis but are not eligible for federal disaster assistance or corresponding state assistance under chapter 12A.

Sec. 2. **[12B.15] DEFINITIONS.**

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

Subd. 2. **Applicant.** "Applicant" means a local government that applies for state disaster assistance under this chapter.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of public safety.

Subd. 4. **Director.** "Director" means the director of the Division of Homeland Security and Emergency Management in the Department of Public Safety.

Subd. 5. **Disaster.** "Disaster" means any catastrophe, including but not limited to a tornado, storm, high water, wind-driven water, tidal wave, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought or, regardless of cause, any fire, flood, or explosion.

Subd. 6. **FEMA.** "FEMA" means the Federal Emergency Management Agency.

Subd. 7. **Incident period.** "Incident period" means the time interval of a disaster as delineated by specific start and end dates.

Subd. 8. **Local government.** "Local government" has the meaning given in section 12A.03, subdivision 5d.

Sec. 3. **[12B.25] ELIGIBILITY CRITERIA; CONSIDERATIONS.**

Subdivision 1. **Payment required; eligibility criteria.** The director, serving as the governor's authorized representative, may enter into grant agreements with eligible applicants to provide state financial assistance made available as a result of a disaster that satisfies all of the following criteria:

(1) the state and applicable local government declares a disaster or emergency during the incident period;

(2) damages suffered and eligible costs incurred are the direct result of the disaster;

(3) federal disaster assistance is not available to the applicant because the governor did not request a presidential declaration of major disaster, the president denied the governor's request, or the applicant is not eligible for federal disaster assistance because the state or county did not meet the per capita impact indicator under FEMA's Public Assistance Program;

(4) the applicant incurred eligible damages that, on a per capita basis, equal or exceed 50 percent of the countywide per capita impact indicator under FEMA's Public Assistance Program;

(5) the applicant assumes responsibility for 25 percent of the applicant's total eligible costs; and

(6) the applicant satisfies all requirements in this chapter.

Subd. 2. **Considerations; other resources available.** When evaluating applicant eligibility under subdivision 1, the director must consider:

(1) the availability of other resources from federal, state, local, private, or other sources; and

(2) the availability or existence of insurance.

Sec. 4. **[12B.30] ELIGIBLE COSTS.**

Subdivision 1. **Eligible costs.** Costs eligible for payment under this chapter are those costs that would be eligible for federal financial assistance under FEMA's Public Assistance Program.

Subd. 2. **Ineligible costs.** Ineligible costs are all costs not included in subdivision 1, including but not limited to:

(1) ordinary operating expenses, including salaries and expenses of employees and public officials that are not directly related to the disaster response;

(2) costs for which payment has been or will be received from any other funding source;

(3) disaster-related costs that should, in the determination of the director, be covered and compensated by insurance; and

(4) projects and claims totaling less than the minimum FEMA project threshold.

Sec. 5. **[12B.35] APPLICANT'S SHARE.**

An applicant's share of eligible costs incurred must not be less than 25 percent. The substantiated value of donated materials, equipment, services, and labor may be used as all or part of the applicant's share of eligible costs, subject to the following:

(1) all items and sources of donation must be indicated on the application and any supporting documentation submitted to the commissioner;

(2) the rate for calculating the value of donated, nonprofessional labor is the prevailing federal minimum wage;

(3) the value of donated equipment may not exceed the highway equipment rates approved by the commissioner of transportation; and

(4) the value of donated materials and professional services must conform to market rates and be established by invoice.

Sec. 6. **[12B.40] APPLICATION PROCESS.**

(a) The director must develop application materials and may update the materials as needed. Application materials must include instructions and requirements for assistance under this chapter.

(b) An applicant has 30 days from the end of the incident period or the president's official denial of the governor's request for a declaration of a major disaster to provide the director with written notice of intent to apply. The director may deny an application due to a late notice of intent to apply.

(c) Within 60 days after the end of the incident period or the president's official denial of the governor's request for a declaration of a major disaster, the applicant must submit a complete application to the director. A complete application includes the following:

(1) the cause, location of damage, and incident period;

(2) documentation of a local, tribal, county, or state disaster or emergency declaration in response to the disaster;

(3) a description of damages, an initial damage assessment, and the amount of eligible costs incurred by the applicant;

(4) a statement or evidence that the applicant has the ability to pay for at least 25 percent of total eligible costs incurred from the disaster; and

(5) a statement or evidence that the local government has incurred damages equal to or exceeding 50 percent of the federal countywide threshold in effect during the incident period.

(d) The director must review the application and supporting documentation for completeness and may return the application with a request for more detailed information. The director may consult with local public officials to ensure the application reflects the extent and magnitude of the damage and to reconcile any differences. The application is not complete until the director receives all requested information.

(e) If the director returns an application with a request for more detailed information or for correction of deficiencies, the applicant must submit all required information within 30 days of the applicant's receipt of the director's request. The applicant's failure to provide the requested information in a timely manner without a reasonable explanation may be cause for denial of the application.

(f) The director has no more than 60 days from the receipt of a complete application to approve or deny the application, or the application is deemed approved. If the director denies an application, the director must send a denial letter. If the director approves an application or the application is automatically deemed approved after 60 days, the director must notify the applicant of the steps necessary to obtain reimbursement of eligible costs, including submission of invoices or other documentation substantiating the costs submitted for reimbursement.

Sec. 7. **[12B.45] CLAIMS PROCESS.**

Subdivision 1. **Claims; appeal.** (a) An applicant must submit to the director completed claims for payment of actual and eligible costs on forms provided by the director. All eligible costs claimed for payment must be documented and consistent with the eligibility provisions of this chapter.

(b) If the director denies an applicant's claim for payment, the applicant has 30 days from receipt of the director's determination to appeal in writing to the commissioner. The appeal must include the applicant's rationale for reversing the director's determination. The commissioner has 30 days from receipt of the appeal to uphold or modify the director's determination and formally respond to the applicant. If, within 30 days of receiving the commissioner's decision, the applicant notifies the commissioner that the applicant intends to contest the commissioner's decision, the Office of Administrative Hearings shall conduct a hearing under the contested case provisions of chapter 14.

Subd. 2. **Final inspection.** Upon completion of all work by an applicant, the director may inspect all work claimed by the applicant. The applicant must provide the director with access to records pertaining to all claimed work and must permit the director to review all records relating to the work.

Subd. 3. **Closeout.** The director must close out an applicant's disaster assistance application after all of the following occur:

(1) eligible work is complete;

(2) the applicant receives the final amount due or pays any amount owed under section 12B.50; and

(3) any extant or scheduled audits are complete.

Subd. 4. **Audit.** (a) An applicant must account for all funds received under this chapter in conformance with generally accepted accounting principles and practices. The applicant must maintain detailed records of expenditures to show that grants received under this chapter were used for the purpose for which the payment was made. The applicant must maintain records for five years and make the records available for inspection and audit by the director or the state auditor. The applicant must keep all financial records for five years after the final payment, including but not limited to all invoices and canceled checks or bank statements that support all eligible costs claimed by the applicant.

(b) The director or state auditor may audit all applicant records pertaining to an application or payment under this chapter.

Subd. 5. **Reporting payments.** The director must post on the division Web site a list of the recipients and amounts of the payments made under this chapter.

Sec. 8. [12B.50] FUNDING FROM OTHER SOURCES; REPAYMENT REQUIRED.

If an applicant subsequently recovers eligible costs from another source after receiving payment under this chapter, the applicant must pay the commissioner an amount equal to the corresponding state funds received within 30 days. The commissioner must deposit any repayment in the disaster response contingency account in section 12.221, subdivision 6.

Sec. 9. EFFECTIVE DATE.

This article is effective the day following final enactment.

TRANSPORTATION

ARTICLE 10
TRANSPORTATION APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2013, chapter 117, article 1, unless otherwise specified, to the agencies and for the purposes specified in this article. Unless otherwise specified, the appropriations are not added to the base appropriation for each purpose. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. For purposes of this article, "the first year" is fiscal year 2014, "the second year" is fiscal year 2015, and "the biennium" is fiscal years 2014 and 2015.

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

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

<u>Subdivision 1. Total Appropriation</u>	<u>\$10,000,000</u>	<u>\$42,700,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Multimodal Systems

(a) **Safe Routes to School** 250,000

This appropriation is for non-infrastructure activities in the safe routes to school program under Minnesota Statutes, section 174.40, subdivision 7a.

(b) **Highway-Rail Grade Crossings; Oil and Other Hazardous Material** 5,000,000

This appropriation is for development and implementation of safety improvements at highway grade crossings along rail corridors in which oil or other hazardous materials are transported. The commissioner shall identify highway-rail grade crossing locations and improvements in consultation with railroads and relevant road authorities.

(c) **Port Development Assistance Program** 500,000

This appropriation is for grants under the port development assistance program in Minnesota Statutes, chapter 457A.

Subd. 3. State Roads

(a) **Winter-Related Trunk Highway Repair** 10,000,000

This appropriation is from the trunk highway fund for materials and supplies related to road repair resulting from effects of the 2013-2014 winter season.

(b) **Transportation Economic Development Program** 4,000,000

This appropriation is for the transportation economic development program under Minnesota Statutes, section 174.12.

(c) **Corridors of Commerce Program** 10,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088, and may include right-of-way acquisition for projects included in the program. The commissioner may identify projects based on the most recent selection process or may perform a new selection.

Subd. 4. Local Roads

(a) **Winter-Related County Road Repair** 11,448,000

This appropriation is for materials and supplies related to road repair resulting from effects of the 2013-2014 winter season.

By September 1, 2014, the commissioner shall apportion funds to counties in the same manner as county state-aid highway funds provided for calendar year 2014 under Minnesota Statutes, section 162.07.

(b) Winter-Related Municipal Road Repair

3,552,000

This appropriation is for materials and supplies related to road repair resulting from effects of the 2013-2014 winter season.

By September 1, 2014, the commissioner shall apportion funds to cities proportionally based on city population as determined using the 2010 federal census, including cities having a population under 5,000 and excluding cities of the first class as determined using the 2000 federal census.

Subd. 5. Willmar District Headquarters

4,370,000

This appropriation is from the trunk highway fund to complete the Willmar district headquarters and is added to the appropriation in Laws 2012, chapter 287, article 1, section 1, subdivision 2.

Subd. 6. Little Falls Truck Station

3,580,000

This appropriation is from the trunk highway fund to complete the Little Falls truck station and is added to the appropriation in Laws 2010, chapter 189, section 15, subdivision 15.

Sec. 3. METROPOLITAN COUNCIL

\$250,000

This appropriation is for allocation to replacement service providers operating under Minnesota Statutes, section 473.388, as provided in this subdivision.

Upon receipt of a prioritized listing of expenditure items and amounts submitted by the Suburban Transit Association, or by all replacement service providers jointly, the Metropolitan Council shall distribute all funds appropriated under this subdivision to each identified replacement service provider, following the priority order in the listing. An expenditure item in the listing must be for nonoperating transit-related expenses.

Sec. 4. DEPARTMENT OF PUBLIC SAFETY

Subdivision 1. Total Appropriation

\$2,060,000

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

Subd. 2. Transit Safety Oversight60,000

\$60,000 in the second year is for light rail transit safety oversight under Minnesota Statutes, section 299A.017, and is added to the base appropriation for the administration and related services program.

Subd. 3. Capitol Security2,000,000

This appropriation is for an increase in the number of State Patrol troopers or other security officers assigned to the Capitol complex, and is added to the base appropriation for the capitol security budget activity.

Sec. 5. TRANSFER; RAILROAD AND PIPELINE SAFETY.

On or before July 31, 2014, the commissioner of management and budget shall transfer \$2,500,000 from the general fund to the railroad and pipeline safety account in the special revenue fund under Minnesota Statutes, section 299A.55. This is a onetime transfer.

Sec. 6. Laws 2010, chapter 189, section 15, subdivision 12, is amended to read:

Subd. 12. Rochester Maintenance Facility26,430,00024,937,000

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

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

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

Sec. 7. Laws 2010, chapter 189, section 26, subdivision 4, is amended to read:

Subd. 4. **Trunk highway fund bond proceeds account.** To provide the money appropriated in this act from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to ~~\$32,945,000~~ \$31,452,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

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

Sec. 8. Laws 2012, chapter 287, article 2, section 1, is amended to read:

Section 1. **ROCHESTER MAINTENANCE FACILITY.**

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

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

Sec. 9. Laws 2012, chapter 287, article 2, section 3, is amended to read:

Sec. 3. **TRUNK HIGHWAY FUND BOND PROCEEDS ACCOUNT.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to ~~\$16,120,000~~ \$17,613,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

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

Sec. 10. Laws 2012, First Special Session chapter 1, article 1, section 28, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 11. Laws 2013, chapter 117, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

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

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

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

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

For the current biennium, the commissioner of transportation may establish different local contribution rates for airport projects than those established in Minnesota Statutes, section 360.305, subdivision 4.

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

Appropriations by Fund

Airports	5,286,000	5,286,000
Trunk Highway	1,100,000	1,100,000

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

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

Appropriations by Fund

General	16,451,000	16,470,000
Trunk Highway	775,000	775,000

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

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

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

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

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

Appropriations by Fund

General	756,000	256,000
Trunk Highway	4,897,000	4,897,000

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

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

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

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

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

Subd. 3. **State Roads**

(a) Operations and Maintenance	<u>262,395,000</u>	<u>262,395,000</u>
	<u>287,395,000</u>	<u>280,395,000</u>

\$5,000,000 in each year is for accelerated replacement of snow plowing equipment.

The base appropriation for operations and maintenance for fiscal years 2016 and 2017 is \$267,395,000 in each year.

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

Appropriations by Fund

	2014	2015
H.U.T.D.	75,000	0
Trunk Highway	206,720,000	206,720,000
		<u>209,720,000</u>

The base appropriation for program planning and delivery for fiscal years 2016 and 2017 is \$206,720,000 in each year.

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

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

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

\$75,000 in each year is available for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (1) to regional development commissions; (2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions

in the region to exercise the planning functions of a regional development commission; and (3) in regions where no regional development commission or joint powers board is functioning, to the department's district office for that region.

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

(c) State Road Construction Activity

(1) Economic Recovery Funds - Federal Highway Aid	1,000,000	1,000,000
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This appropriation is to complete projects using funds made available to the commissioner of transportation under title XII of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and implemented under Minnesota Statutes, section 161.36, subdivision 7. The base appropriation is \$1,000,000 in fiscal year 2016 and \$0 in fiscal year 2017.

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

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

Appropriations by Fund

Federal Highway Aid	489,200,000	482,200,000
Highway User Taxes	420,200,000	333,400,000
	<u>434,200,000</u>	

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

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

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

\$10,000,000 in each year is for the transportation economic development program under Minnesota Statutes, section 174.12.

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

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

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

Notwithstanding subdivision 6, the commissioner may transfer up to \$6,000,000 from the trunk highway fund under this appropriation to the Stillwater lift bridge endowment account under Minnesota Statutes, section 165.15.

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

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

\$148,917,000 in the first year and \$180,321,000 in the second year are for transfer to the state bond fund. If an appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall notify the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation. Any excess appropriation cancels to the trunk highway fund.

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

Appropriations by Fund

General	3,000	3,000
Trunk Highway	5,168,000	5,168,000

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

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

Sec. 13. Laws 2013, chapter 117, article 1, section 4, is amended to read:

Sec. 4. METROPOLITAN COUNCIL	\$107,889,000	\$76,970,000 <u>76,910,000</u>
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This appropriation is from the general fund for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

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

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

Sec. 14. **EFFECTIVE DATE; SUPERSEDING PROVISIONS.**

Regardless of order of enactment, sections 1 to 5 of this article are not effective if House File No. 2395 is enacted in the 2014 legislative session.

ARTICLE 11
RAILROAD AND PIPELINE SAFETY

Section 1. Minnesota Statutes 2012, section 115E.01, is amended by adding a subdivision to read:

Subd. 6a. **Incident commander.** "Incident commander" means the official at the site of a discharge who has the responsibility for operations at the site, as established following National Incident Management System guidelines.

Sec. 2. Minnesota Statutes 2012, section 115E.01, is amended by adding a subdivision to read:

Subd. 7a. **Listed sensitive area.** "Listed sensitive area" means an area or location listed as an area of special economic or environmental importance in an Area Contingency Plan or a Sub-Area Contingency Plan prepared under the federal Clean Water Act, United States Code, title 33, section 1321(j)(4).

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

Sec. 3. Minnesota Statutes 2012, section 115E.01, is amended by adding a subdivision to read:

Subd. 11d. **Unit train.** "Unit train" means a train with more than 25 tanker railcars carrying oil or hazardous substance cargo.

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

Sec. 4. **[115E.042] PREPAREDNESS AND RESPONSE FOR CERTAIN RAILROADS AND PIPELINES.**

Subdivision 1. **Application.** In addition to the requirements of section 115E.04, a person who owns or operates railroad car rolling stock transporting a unit train must comply with this section. A person who owns or operates pipeline facilities and is required to show specific preparedness under section 115E.03, subdivision 2, must comply with this section as applicable and with the provisions of chapters 299F and 299J.

Subd. 2. **Training.** (a) Each railroad must offer training to each fire department having jurisdiction along the route of unit trains. Initial training under this subdivision must be offered to each fire department by June 30, 2016, and refresher training must be offered to each fire department at least once every three years thereafter.

(b) The training must address the general hazards of oil and hazardous substances, techniques to assess hazards to the environment and to the safety of responders and the public, factors an incident commander must consider in determining whether to attempt to suppress a fire or to evacuate the public and emergency responders from an area, and other strategies for initial response by local emergency responders. The training must include suggested protocol or practices for local responders to safely accomplish these tasks.

Subd. 3. **Coordination.** Beginning June 30, 2015, each railroad and pipeline company must communicate at least annually with each county or city emergency manager and a senior fire department officer of each fire department having jurisdiction along the route of a unit train or a pipeline to ensure coordination of emergency response activities between the railroad or pipeline company and local responders.

Subd. 4. **Response capabilities; time limits; drills.** (a) Following confirmation of a discharge, a railroad or pipeline company must deliver and deploy sufficient equipment and trained personnel to contain and recover discharged oil or hazardous substances and to protect the environment and public safety.

(b) Within one hour of confirmation of a discharge, a railroad or pipeline company must provide a qualified company employee to advise the incident commander. The employee may be made available by telephone, and must be authorized to deploy all necessary response resources of the railroad or pipeline company.

(c) Within three hours of confirmation of a discharge, a railroad or pipeline company must be capable of delivering monitoring equipment and a trained operator to assist in protection of responder and public safety. A plan to ensure delivery of monitoring equipment and an operator to a discharge site must be provided each year to the commissioner of public safety.

(d) Within three hours of confirmation of a discharge, a railroad or pipeline company must provide qualified personnel at a discharge site to assess the discharge and to advise the incident commander.

(e) A railroad or pipeline company must be capable of deploying containment boom from land across sewer outfalls, creeks, ditches, and other places where oil or hazardous substances may drain, in order to contain leaked material before it reaches those resources. The arrangement to provide containment boom and staff may be made by:

(1) training and caching equipment with local jurisdictions;

(2) training and caching equipment with a fire mutual-aid group;

(3) means of an industry cooperative or mutual-aid group;

(4) deployment of a contractor;

(5) deployment of a response organization under state contract; or

(6) other dependable means acceptable to the Pollution Control Agency.

(f) Each arrangement under paragraph (e) must be confirmed each year. Each arrangement must be tested by drill at least once every five years.

(g) Within eight hours of confirmation of a discharge, a railroad or pipeline company must be capable of delivering and deploying oil spill containment booms, boats, oil recovery equipment, trained staff, and all other materials needed to provide:

(1) on-site containment and recovery of a volume of oil equal to ten percent of the calculated worst case discharge at any location along the route; and

(2) protection of listed sensitive areas and potable water intakes within one mile of a discharge site and within eight hours of water travel time downstream in any river or stream that the right-of-way intersects.

(h) Within 60 hours of confirmation of a discharge, a railroad or pipeline company must be capable of delivering and deploying additional oil spill containment booms, boats, oil recovery equipment, trained staff, and all other materials needed to provide containment and recovery of a worst-case oil discharge and to protect listed sensitive areas and potable water intakes at any location along the route.

(i) Each railroad and pipeline must conduct at least one oil containment, recovery, and sensitive area protection drill every three years, at a location and time chosen by the Pollution Control Agency.

Subd. 5. **Prevention and response plans.** (a) By June 30, 2015, a railroad or pipeline company shall submit the prevention and response plan required under section 115E.04, as necessary to comply with the requirements of this section, to the commissioner of the Pollution Control Agency on a form designated by the commissioner.

(b) By June 30 of every third year following a plan submission under this subdivision, a railroad and pipeline company must update and resubmit the prevention and response plan to the commissioner.

EFFECTIVE DATE. Subdivisions 1 to 3 and 5 are effective the day following final enactment. Subdivision 4 is effective July 1, 2015.

Sec. 5. Minnesota Statutes 2012, section 115E.08, is amended by adding a subdivision to read:

Subd. 3a. **Railroad and pipeline preparedness; pollution control.** The Pollution Control Agency shall carry out environmental protection activities related to railroad and pipeline discharge preparedness. Duties under this subdivision include, but are not limited to:

(1) assisting local emergency managers and fire officials in understanding the hazards of oil and hazardous substances, as well as general strategies for containment and environmental protection;

(2) assisting railroads and pipeline companies to identify natural resources and sensitive areas, and to devise strategies to contain and recover oil and hazardous substances from land and waters along routes;

(3) facilitating cooperation between railroad and pipeline companies for mutual aid arrangements that provide training, staff, and equipment as required by this chapter;

(4) participating in drills and training sessions;

(5) reviewing each railroad and pipeline company's prevention and response plans for compliance with the requirements of this chapter, and assessing each company's readiness to protect the environment;

(6) conducting inspections and drills as necessary to determine the railroad or pipeline company's compliance with the requirements of this chapter and ability to protect the environment; and

(7) conducting follow-up corrective action directives, orders, and enforcement as necessary based on a finding of inadequate environmental protection preparedness.

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

Sec. 6. Minnesota Statutes 2012, section 115E.08, is amended by adding a subdivision to read:

Subd. 3b. Railroad and pipeline preparedness; public safety. The commissioner of public safety shall carry out public safety protection activities related to railroad and pipeline spill and discharge preparedness. Duties under this subdivision include, but are not limited to:

(1) assisting local emergency managers and fire officials to understand the hazards of oil and hazardous substances, as well as general strategies for hazard identification, initial isolation, and other actions necessary to ensure public safety;

(2) assisting railroads and pipeline companies to develop suggested protocols and practices for local first responder use in protecting the public's safety;

(3) facilitating cooperation between railroads, pipeline companies, county and city emergency managers, and other public safety organizations;

(4) participating in major exercises and training sessions;

(5) assisting local units of government to incorporate railroad and pipeline hazard and response information into local emergency operations plans;

(6) monitoring the public safety-related training and planning requirements of section 115E.03; and

(7) referring noncompliance with section 115E.03 to the Pollution Control Agency.

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

Sec. 7. Minnesota Statutes 2012, section 219.015, subdivision 1, is amended to read:

Subdivision 1. **Position Positions established; duties.** (a) The commissioner of transportation shall establish a position of three state rail safety inspector positions in the Office of Freight and Commercial Vehicle Operations of the Minnesota Department of Transportation. On or after July 1, 2015, the commissioner may establish a fourth state rail safety inspector position following consultation with railroad companies. The commissioner shall apply to and enter into agreements with the Federal Railroad Administration (FRA) of the United States Department of Transportation to participate in the federal State Rail Safety Partnership Participation Program for training and certification of an inspector under authority of United States Code, title 49, sections 20103, 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

~~The~~ (b) A state rail safety inspector shall inspect mainline track, secondary track, and yard and industry track; inspect railroad right-of-way, including adjacent or intersecting drainage, culverts, bridges, overhead structures, and traffic and other public crossings; inspect yards and physical plants; review and enforce safety requirements; review maintenance and repair records; and review railroad security measures.

(c) A state rail safety inspector may perform, but is not limited to, the duties described in the federal State Rail Safety Participation Program. An inspector may train, be certified, and participate in any of the federal State Rail Safety Participation Program disciplines, including track, signal and train control, motive power and equipment, operating practices compliance, hazardous materials, and highway-rail grade crossings.

(d) To the extent delegated by the Federal Railroad Administration and authorized by the commissioner, the an inspector may issue citations for violations of this chapter, or to ensure railroad employee and public safety and welfare.

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

Sec. 8. Minnesota Statutes 2012, section 219.015, subdivision 2, is amended to read:

Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in this subdivision, the commissioner shall annually assess railroad companies that are (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads, ~~or Class I Rail Carriers, Class II Railroads, or Class II Rail Carriers;~~ and (3) operating in this state;

(b) The assessment must be by a division of state rail safety inspector program costs in equal proportion between carriers based on route miles operated in Minnesota, assessed in equal amounts for 365 days of the calendar year. The commissioner shall assess all start-up or re-establishment costs, and all related costs of initiating the state rail safety inspector program beginning July 1, 2008. The, and ongoing state rail inspector duties must begin and be assessed on January 1, 2009.

(c) The assessments must be deposited in a special account in the special revenue fund, to be known as the state rail safety inspection account. Money in the account is appropriated to the commissioner and may be expended to cover the costs incurred for the establishment and ongoing responsibilities of the state rail safety inspector program.

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

Sec. 9. **[299A.55] RAILROAD AND PIPELINE SAFETY; OIL AND OTHER HAZARDOUS MATERIALS.**

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

(b) "Applicable rail carrier" means a railroad company that is subject to an assessment under section 219.015, subdivision 2.

(c) "Hazardous substance" has the meaning given in section 115B.02, subdivision 8.

(d) "Oil" has the meaning given in section 115E.01, subdivision 8.

(e) "Pipeline company" means any individual, partnership, association, or public or private corporation required to show specific preparedness under section 115E.03, subdivision 2.

Subd. 2. **Railroad and pipeline safety account.** (a) A railroad and pipeline safety account is created in the special revenue fund. The account consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the account.

(b) \$208,000 is annually appropriated to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad and pipeline discharge preparedness under chapter 115E.

(c) Following the appropriation in paragraph (b), the remaining money in the account is annually appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

Subd. 3. **Allocation of railroad and pipeline safety funds.** (a) Subject to funding appropriated for this subdivision, the commissioner shall provide funds for training and response preparedness related to (1) derailments, discharge incidents, or spills involving trains carrying oil or other hazardous substances, and (2) pipeline discharge incidents or spills involving oil or other hazardous substances.

(b) The commissioner shall allocate available funds to the Board of Firefighter Training and Education under section 299N.02 and the Division of Homeland Security and Emergency Management.

(c) Prior to making allocations under paragraph (b), the commissioner shall consult with the Fire Service Advisory Committee under section 299F.012, subdivision 2.

(d) The commissioner and the entities identified in paragraph (b) shall prioritize uses of funds based on:

(1) firefighter training needs;

(2) community risk from discharge incidents or spills;

(3) geographic balance; and

(4) recommendations of the Fire Service Advisory Committee.

(e) The following are permissible uses of funds provided under this subdivision:

(1) training costs, which may include but are not limited to training curriculum, trainers, trainee overtime salary, other personnel overtime salary, and tuition;

(2) costs of gear and equipment related to hazardous materials readiness, response, and management, which may include but is not limited to original purchase, maintenance, and replacement;

(3) supplies related to the uses under clauses (1) and (2); and

(4) emergency preparedness planning and coordination.

(f) Notwithstanding paragraph (b), from funds in the railroad and pipeline safety account provided for the purposes under this subdivision, the commissioner may retain a balance in the account for budgeting in subsequent fiscal years.

Subd. 4. **Assessments; oil and hazardous substances.** (a) The commissioner of public safety shall annually assess \$2,500,000 to railroad and pipeline companies based on the formula specified in paragraph (b). The commissioner shall deposit funds collected under this subdivision in the railroad and pipeline safety account under subdivision 2.

(b) The assessment for each railroad is 50 percent of the total annual assessment amount, divided in equal proportion between applicable rail carriers based on route miles operated in Minnesota. The assessment for each pipeline company is 50 percent of the total annual assessment amount, divided in equal proportion between companies based on the yearly aggregate gallons of oil and hazardous substance transported in Minnesota. The assessment must be in equal amounts for each day of the fiscal year.

(c) The assessments under this subdivision expire July 1, 2019.

Sec. 10. **REPORTS ON INCIDENT PREPAREDNESS FOR OIL AND OTHER HAZARDOUS MATERIALS TRANSPORTATION.**

Subdivision 1. **Report on response preparedness.** By January 15, 2015, the commissioner of public safety shall submit a report on emergency response preparedness in the public and private sectors for incidents involving oil and other hazardous materials transported by rail and pipeline to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and public safety policy and finance. At a minimum, the report must:

(1) summarize the preparedness and emergency response framework in the state;

(2) provide an assessment of costs and needs of fire departments and other emergency first responders for training and equipment to respond to discharge or spill incidents involving oil and other hazardous materials transported by rail and pipeline;

(3) develop a comprehensive public and private response capacity inventory that, to the extent feasible, includes statewide identification of major emergency response equipment, equipment staging locations, mutual aid agreements, and capacities across industries involved in transportation and storage of oil and other hazardous materials;

(4) provide information and analysis that forms the basis for allocation of funds under Minnesota Statutes, section 299A.55;

(5) develop benchmarks or assessment criteria for the evaluation under subdivision 2;

(6) assist in long-range oil and other hazardous materials incident preparedness planning; and

(7) make recommendations for any legislative changes.

Subd. 2. Evaluation of response preparedness and funding. By November 1, 2017, the commissioner of public safety shall submit an evaluation of railroad and pipeline safety preparedness and funding related to incidents involving oil and other hazardous materials to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and public safety policy and finance. At a minimum, the evaluation must:

(1) provide an update to the report under subdivision 1 that identifies notable changes and provides updated information as appropriate;

(2) evaluate the effectiveness of training and response preparedness activities under Minnesota Statutes, section 299A.55, using the criteria established under subdivision 1, clause (5);

(3) identify current sources of funds, funding levels, and any unfunded needs for preparedness activities;

(4) analyze equity in the distribution of funding sources for preparedness activities, which must include but is not limited to (i) examination of the public-private partnership financing model, and (ii) review of balance across industries involved in storage and distribution of oil and other hazardous materials; and

(5) make recommendations for any programmatic or legislative changes.

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

Sec. 11. IMPROVEMENTS STUDY ON GRADE CROSSINGS AND RAIL SAFETY FOR OIL AND OTHER HAZARDOUS MATERIALS TRANSPORTATION.

(a) The commissioner of transportation shall conduct a study on highway-rail grade crossing improvement for oil and other hazardous materials transported by rail, and on rail safety. At a minimum, the study must:

(1) provide information that assists in risk management associated with transportation of oil and other hazardous materials by rail;

(2) develop criteria to prioritize needs and improvements at highway-rail grade crossings;

(3) consider alternatives for safety improvements, including but not limited to active warning devices such as gates and signals, closings, and grade separation;

(4) provide findings and recommendations that serve to direct accelerated investments in highway-rail grade crossing safety improvements; and

(5) analyze state inspection activities and staffing for track and hazardous materials under Minnesota Statutes, section 219.015.

(b) The commissioner shall submit an interim update on the study by August 31, 2014, and a final report by October 31, 2014, to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

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

ARTICLE 12 TRANSPORTATION FINANCE PROVISIONS

Section 1. Minnesota Statutes 2012, section 165.15, subdivision 2, is amended to read:

Subd. 2. **Use of funds.** (a) Income derived from the investment of principal in the account may be used by the commissioner of transportation for operations and routine maintenance, including bridge safety inspections and reactive repairs, of the Stillwater lift bridge. No money from this account may be used for any purposes except those described in this section, and no money from this account may be transferred to any other account in the state treasury without specific legislative authorization. ~~Any money transferred from the trunk highway fund may only be used for trunk highway purposes.~~ For the purposes of this section:

(1) "Income" is the amount of interest on debt securities and dividends on equity securities. Any gains or losses from the sale of securities must be added to the principal of the account.

(2) "Routine maintenance" means activities that are predictable and repetitive, but not activities that would constitute major repairs or rehabilitation.

(b) Investment management fees incurred by the State Board of Investment are eligible expenses for reimbursement from the account.

(c) The commissioner of transportation has authority to approve or deny expenditures of funds in the account.

Sec. 2. Minnesota Statutes 2013 Supplement, section 168.123, subdivision 2, is amended to read:

Subd. 2. **Design.** (a) The commissioner of veterans affairs shall design the emblem for the veterans' special plates, subject to the approval of the commissioner, that satisfy the following requirements:

~~(a)~~ (b) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, in the active military service in a branch of the armed forces of the United States or a nation or society allied with the United States the special plates must bear the inscription "VIETNAM VET."

~~(b)~~ (c) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR."

(e) (d) For a veteran who served during World War II, the plates must bear the inscription "WORLD WAR VET."

(d) (e) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET."

(e) (f) For a combat wounded veteran who is a recipient of the Purple Heart medal, the plates must bear the inscription "COMBAT WOUNDED VET" and have a facsimile or an emblem of the official Purple Heart medal.

A member of the United States armed forces who is serving actively in the military and who is a recipient of the Purple Heart medal is also eligible for this license plate. The commissioner of public safety shall ensure that information regarding the required proof of eligibility for any applicant under this paragraph who has not yet been issued military discharge papers is distributed to the public officials responsible for administering this section.

(f) (g) For a Persian Gulf War veteran, the plates must bear the inscription "GULF WAR VET." For the purposes of this section, "Persian Gulf War veteran" means a person who served on active duty after August 1, 1990, in a branch of the armed forces of the United States or a nation or society allied with the United States or the United Nations during Operation Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf area combat zone as designated in United States Presidential Executive Order No. 12744, dated January 21, 1991.

(g) (h) For a veteran who served in the Laos War after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "LAOS WAR VET."

(h) (i) For a veteran who is the recipient of:

(1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "IRAQ WAR VET" directly below the special plate number;

(2) the Afghanistan Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly below the special plate number;

(3) the Global War on Terrorism Expeditionary Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number; or

(4) the Armed Forces Expeditionary Medal, the special plates must bear an appropriate inscription that includes a facsimile of that medal.

(i) (j) For a veteran who is the recipient of the Global War on Terrorism Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number. In addition, any member of the National Guard or other military reserves who has been ordered to federally funded state active service under United States Code, title 32, as defined in section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism Service Medal, is eligible for the license plate described in this paragraph, irrespective of whether that person qualifies as a veteran under section 197.447.

(j) (k) For a veteran who is the recipient of the Korean Defense Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "KOREAN DEFENSE SERVICE" directly below the special plate number.

(k) (l) For a veteran who is a recipient of the Bronze Star medal, the plates must bear the inscription "BRONZE STAR VET" and have a facsimile or an emblem of the official Bronze Star medal.

(4) (m) For a veteran who is a recipient of the Silver Star medal, the plates must bear the inscription "SILVER STAR VET" and have a facsimile or an emblem of the official Silver Star medal.

(n) For a woman veteran, the plates must bear the inscription "WOMAN VETERAN" and have a facsimile or an emblem as designated by the commissioners of veterans affairs and public safety.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 3. Minnesota Statutes 2012, section 169.826, is amended by adding a subdivision to read:

Subd. 7. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

EFFECTIVE DATE. This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 4. Minnesota Statutes 2012, section 169.8261, is amended by adding a subdivision to read:

Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

EFFECTIVE DATE. This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 5. Minnesota Statutes 2012, section 169.86, subdivision 5, is amended to read:

Subd. 5. **Fees; proceeds deposited; appropriation.** The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. The fee for an annual permit that expires by law on the date of the vehicle registration expiration must be based on the proportion of the year that remains until the expiration date. Unless otherwise specified, all fees for permits issued by the commissioner of transportation must be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees are:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles that travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.826, subdivision 1a;

(4) special pulpwood vehicles described in section 169.863;

(5) motor vehicles bearing snowplow blades not exceeding ten feet in width;

- (6) noncommercial transportation of a boat by the owner or user of the boat;
- (7) motor vehicles carrying bales of agricultural products authorized under section 169.862; and
- (8) special milk-hauling vehicles authorized under section 169.867.

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

- (1) mobile cranes;
- (2) construction equipment, machinery, and supplies;
- (3) manufactured homes and manufactured storage buildings;
- (4) implements of husbandry;
- (5) double-deck buses;

(6) commercial boat hauling and transporting waterfront structures, including, but not limited to, portable boat docks and boat lifts;

(7) three-vehicle combinations consisting of two empty, newly manufactured trailers for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however, the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer only while operating on twin-trailer routes designated under section 169.81, subdivision 3, paragraph (c); and

(8) vehicles operating on that portion of marked Trunk Highway 36 described in section 169.81, subdivision 3, paragraph (e).

(e) For vehicles that have axle weights exceeding the weight limitations of sections 169.823 to 169.829, an additional cost added to the fees listed above. However, this paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then the additional cost is for all weight, including the allowance weight, in excess of the permitted maximum axle weight. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Cost Per Mile For Each Group Of:

Weight (pounds) exceeding weight limitations on axles	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.12	.05	.04
2,001-4,000	.14	.06	.05
4,001-6,000	.18	.07	.06
6,001-8,000	.21	.09	.07
8,001-10,000	.26	.10	.08
10,001-12,000	.30	.12	.09

12,001-14,000	Not permitted	.14	.11
14,001-16,000	Not permitted	.17	.12
16,001-18,000	Not permitted	.19	.15
18,001-20,000	Not permitted	Not permitted	.16
20,001-22,000	Not permitted	Not permitted	.20

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, mobile cranes; construction equipment, machinery, and supplies; implements of husbandry; and commercial boat hauling. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800
145,001 - 155,000	\$900

If the gross weight of the vehicle is more than 155,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828, subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) \$300 for a motor vehicle described in section 169.8261. The fee under this paragraph must be deposited as follows:

(1) the first \$50,000 in each fiscal year must be deposited in the trunk highway fund for costs related to administering the permit program and inspecting and posting bridges; and

(2) all remaining money in each fiscal year must be deposited in the bridge inspection and signing account as provided under subdivision 5b.

(j) Beginning August 1, 2006, \$200 for an annual permit for a vehicle operating under authority of section 169.824, subdivision 2, paragraph (a), clause (2).

EFFECTIVE DATE. This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 6. Minnesota Statutes 2012, section 169.863, is amended by adding a subdivision to read:

Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

EFFECTIVE DATE. This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 7. Minnesota Statutes 2012, section 169.865, subdivision 1, is amended to read:

Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six or more axles to haul raw or unprocessed agricultural products and be operated with a gross vehicle weight of up to:

(1) 90,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or combination of vehicles operated under this subdivision and transporting only sealed intermodal containers may be operated on an interstate highway if allowed by the United States Department of Transportation.

(c) The fee for a permit issued under this subdivision is \$300, or a proportional amount as provided in section 169.86, subdivision 5.

EFFECTIVE DATE. This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 8. Minnesota Statutes 2012, section 169.865, subdivision 2, is amended to read:

Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of seven or more axles to haul raw or unprocessed agricultural products and be operated with a gross vehicle weight of up to:

(1) 97,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) Drivers of vehicles operating under this subdivision must comply with driver qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code of Federal Regulations, title 49, parts 40 and 382.

(c) The fee for a permit issued under this subdivision is \$500, or a proportional amount as provided in section 169.86, subdivision 5.

EFFECTIVE DATE. This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 9. Minnesota Statutes 2012, section 169.865, is amended by adding a subdivision to read:

Subd. 5. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

EFFECTIVE DATE. This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 10. Minnesota Statutes 2012, section 169.866, subdivision 3, is amended to read:

Subd. 3. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1 must be annual permits. The fee is \$850 for each vehicle, or a proportional amount as provided in section 169.86, subdivision 5, and must be deposited in the trunk highway fund. An amount sufficient to administer the permit program is appropriated from the trunk highway fund to the commissioner for the costs of administering the permit program.

EFFECTIVE DATE. This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 11. Minnesota Statutes 2012, section 169.866, is amended by adding a subdivision to read:

Subd. 4. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

EFFECTIVE DATE. This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 12. **[299A.017] STATE SAFETY OVERSIGHT.**

Subdivision 1. **Office created.** The commissioner of public safety shall establish an Office of State Safety Oversight in the Department of Public Safety for safety oversight of rail fixed guideway public transportation systems within the state. The commissioner shall designate a director of the office.

Subd. 2. **Authority.** The director shall implement and has regulatory authority to enforce the requirements for the state set forth in United States Code, title 49, sections 5329 and 5330, federal regulations adopted pursuant to those sections, and successor or supplemental requirements.

Sec. 13. **WOMAN VETERAN LICENSE PLATES; DESIGN.**

The commissioner of veterans affairs, in consultation with the commissioner of public safety, a representative of the Minnesota Women Veterans Initiative Working Group, and any interested Minnesota veterans service organization, shall design the "WOMAN VETERAN" special plates established in Minnesota Statutes, section 168.123, subdivision 2, subject to the approval of the commissioner of public safety.

Sec. 14. **HIGHWAY 14 TURNBACK.**

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

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

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

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

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

AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES

ARTICLE 13

AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2013, chapter 114, or appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal year indicated for each purpose. The figure "2015" used in this article means that the addition to the appropriations listed under them are available for the fiscal year ending June 30, 2015.

APPROPRIATIONS
Available for the Year
Ending June 30

2015

Sec. 2. **AGRICULTURE.**

Subdivision 1. **Total Appropriation**

\$1,810,000

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

Subd. 2. **Department of Agriculture**

1,500,000

\$1,500,000 in 2015 is for a grant to Second Harvest Heartland on behalf of the six Feeding America food banks that serve Minnesota to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, or other agricultural commodities that would otherwise go unharvested or be discarded. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this appropriation must be from Minnesota producers and processors. Second Harvest Heartland must report when required by, and in the form prescribed by, the commissioner. Second Harvest Heartland may use up to 11 percent of the grant for administrative expenses. This appropriation is added to the base.

The commissioner shall examine how other states are implementing the industrial hemp research authority provided in Public Law 113-79 and gauge the interest of Minnesota higher education institutions. No later than January 15, 2015, the commissioner must report the information and items for legislative consideration to the legislative committees with jurisdiction over agriculture policy and finance.

Subd. 3. Board of Animal Health310,000

\$310,000 in 2015 is to administer the dog and cat breeder licensing and inspection program. The base in fiscal year 2016 is \$426,000 and the base in fiscal year 2017 is \$435,000.

Sec. 3. POLLUTION CONTROL AGENCY**\$348,000**

\$348,000 in 2015 is for costs incurred implementing Minnesota Statutes, sections 116.9401 to 116.9425. This is a onetime appropriation. Of this amount, \$13,000 is transferred to the commissioner of health. The base for this program from the environmental fund is \$744,000 in fiscal year 2016 and \$495,000 in fiscal year 2017.

ARTICLE 14
AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES FISCAL
IMPLEMENTATION PROVISIONS

Section 1. Minnesota Statutes 2012, section 13.643, subdivision 6, is amended to read:

Subd. 6. **Animal premises data.** (a) The following data collected and maintained by the Board of Animal Health related to registration and identification of premises and animals under chapter 35, are classified as private or nonpublic:

- (1) the names and addresses;
- (2) the location of the premises where animals are kept; and
- (3) the identification number of the premises or the animal.

(b) Except as provided in section 347.58, subdivision 5, data collected and maintained by the Board of Animal Health under sections 347.57 to 347.64 are classified as private or nonpublic.

~~(b)~~ (c) The Board of Animal Health may disclose data collected under paragraph (a) or (b) to any person, agency, or to the public if the board determines that the access will aid in the law enforcement process or the protection of public or animal health or safety.

Sec. 2. Minnesota Statutes 2012, section 13.7411, subdivision 8, is amended to read:

Subd. 8. **Pollution Control Agency.** (a) **Hazardous waste generators.** Information provided by hazardous waste generators under section 473.151 and for which confidentiality is claimed is governed by section 116.075, subdivision 2.

(b) **Tests.** Trade secret information made available by applicants for certain projects of the Pollution Control Agency is classified under section 116.54.

(c) **Priority chemicals.** Information submitted to the Pollution Control Agency related to priority chemicals in children's products is classified under section 116.9403.

Sec. 3. Minnesota Statutes 2012, section 84.788, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** Registration is not required for off-highway motorcycles:

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

(2) registered in another state or country that have not been within this state for more than 30 consecutive days; or

(3) registered under chapter 168, when operated on forest roads to gain access to a state forest campground;

(4) used exclusively in organized track racing events;

(5) operated on state or grant-in-aid trails by a nonresident possessing a nonresident off-highway motorcycle state trail pass; or

(6) operated by a person participating in an event for which the commissioner has issued a special use permit.

Sec. 4. **[84.7945] NONRESIDENT OFF-HIGHWAY MOTORCYCLE STATE TRAIL PASS.**

Subdivision 1. **Pass required; fee.** (a) A tribal member exempt from registration under section 84.788, subdivision 2, clause (2), or a nonresident, may not operate an off-highway motorcycle on a state or grant-in-aid off-highway motorcycle trail unless the operator carries a valid nonresident off-highway motorcycle state trail pass in immediate possession. The pass must be available for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a pass upon application and payment of a \$20 fee. The pass is valid from January 1 through December 31. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the off-highway motorcycle account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid to counties and municipalities for off-highway motorcycle organizations to construct and maintain off-highway motorcycle trails and use areas.

(c) A nonresident off-highway motorcycle state trail pass is not required for:

(1) an off-highway motorcycle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.788, subdivision 2;

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

(3) a nonresident operating an off-highway motorcycle that is registered according to section 84.788.

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

Subd. 3. **Issuance of passes.** The commissioner and agents shall issue and sell nonresident off-highway motorcycle state trail passes. The commissioner shall also make the passes available through the electronic licensing system established under section 84.027, subdivision 15.

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

Subd. 5. **Duplicate passes.** The commissioner and agents shall issue a duplicate pass to persons whose pass is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate nonresident off-highway motorcycle state trail pass is \$2, with an issuing fee of 50 cents.

Sec. 5. [87A.10] TRAP SHOOTING SPORTS FACILITY GRANTS.

The commissioner of natural resources shall administer a program to provide cost-share grants to local recreational trap shooting clubs for up to 50 percent of the costs of developing or rehabilitating trap shooting sports facilities for public use. A facility rehabilitated or developed with a grant under this section must be open to the general public at reasonable times and for a reasonable fee on a walk-in basis. The commissioner shall give preference to projects that will provide the most opportunities for youth.

Sec. 6. Minnesota Statutes 2012, section 116.9401, is amended to read:

116.9401 DEFINITIONS.

(a) For the purposes of sections 116.9401 to ~~416.9407~~ 116.9425, the following terms have the meanings given them.

(b) "Agency" means the Pollution Control Agency.

(c) "Alternative" means a substitute process, product, material, chemical, strategy, or combination of these that is technically feasible and serves a functionally equivalent purpose to a chemical in a children's product.

(d) "Chemical" means a substance with a distinct molecular composition or a group of structurally related substances and includes the breakdown products of the substance or substances that form through decomposition, degradation, or metabolism.

(e) "Chemical of high concern" means a chemical identified on the basis of credible scientific evidence by a state, federal, or international agency as being known or suspected with a high degree of probability to:

- (1) harm the normal development of a fetus or child or cause other developmental toxicity;
- (2) cause cancer, genetic damage, or reproductive harm;
- (3) disrupt the endocrine or hormone system;
- (4) damage the nervous system, immune system, or organs, or cause other systemic toxicity;
- (5) be persistent, bioaccumulative, and toxic; or
- (6) be very persistent and very bioaccumulative.

(f) "Child" means a person under 12 years of age.

(g) "Children's product" means a consumer product intended for use by children, such as baby products, toys, car seats, personal care products, and clothing.

(h) "Commissioner" means the commissioner of the Pollution Control Agency.

(i) "Contaminant" means a trace amount of a chemical that is incidental to manufacturing and serves no intended function in the product component. Contaminant includes, but is not limited to, unintended by-products of chemical reactions that occur during the manufacture of the product component, trace impurities in feedstock, incompletely reacted chemical mixtures, and degradation products.

(j) "Department" means the Department of Health.

~~(k)~~ (k) "Distributor" means a person who sells consumer products to retail establishments on a wholesale basis.

~~(l)~~ (l) "Green chemistry" means an approach to designing and manufacturing products that minimizes the use and generation of toxic substances.

(m) "Intentionally added chemical" means a chemical in a product that serves an intended function in the product component.

~~(n)~~ (n) "Manufacturer" means any person who manufactures a final consumer product sold at retail or whose brand name is affixed to the consumer product. In the case of a consumer product imported into the United States, manufacturer includes the importer or domestic distributor of the consumer product if the person who manufactured or assembled the consumer product or whose brand name is affixed to the consumer product does not have a presence in the United States.

(o) "Mouthable" means a product that can be placed into and kept in a child's mouth to be sucked or chewed, including any product or product part smaller than five centimeters in one dimension. A product that can only be licked is not mouthable.

(p) "Practical quantification limit" means the lowest concentration of a chemical that can be reliably measured within specified limits of precision, accuracy, representativeness, completeness, and comparability under routine laboratory operating conditions and the value of which:

(1) is based on scientifically defensible, standard analytical methods;

(2) may vary depending on the matrix and analytical method used; and

(3) will be determined by the commissioner, taking into consideration practical quantification limits established by federal or state agencies.

~~(q)~~ (q) "Priority chemical" means a chemical identified by the Department of Health as a chemical of high concern that meets the criteria in section 116.9403.

(r) "Product category" means the brick level of the GS1 Global Product Classification (GPC) standard, which identifies products that serve a common purpose, are of a similar form and material, and share the same set of category attributes.

(s) "Product code" means the numeric representation of the item level of the GS1 electronic product code (EPC), the international article number (EAN), or the universal product code (UPC), whichever is used by a manufacturer to identify a unique company-specific or brand-specific product.

(t) "Product component" means a uniquely identifiable material or coating including, but not limited to, an ink or dye that is intended to be included as a part of a finished children's product.

~~(n)~~ (u) "Safer alternative" means:

(1) an alternative whose potential to harm human health or the environment is less than that of the use of a priority chemical that it could replace;

(2) an alternative chemical that is not a priority chemical identified by the department under section 116.9403; or

(3) an alternative chemical that is not identified on the basis of credible scientific evidence by a state, federal, or international agency as being known or suspected with a high degree of probability to:

(i) harm the normal development of a fetus or child or cause other developmental toxicity;

(ii) cause cancer, genetic damage, or reproductive harm;

(iii) disrupt the endocrine or hormone system; or

(iv) damage the nervous system, immune system, or organs, or cause other systemic toxicity.

(v) "Toy" means a product designed or intended by the manufacturer to be used by a child at play.

(w) "Trade association" means a membership organization of persons engaging in a similar or related line of commerce, organized to promote and improve business conditions in that line of commerce and not to engage in a regular business of a kind ordinarily carried on for profit.

Sec. 7. Minnesota Statutes 2012, section 116.9402, is amended to read:

116.9402 IDENTIFICATION OF CHEMICALS OF HIGH CONCERN.

(a) By July 1, 2010, the department shall, after consultation with the agency, generate a list of chemicals of high concern.

(b) The department must periodically review and revise the list of chemicals of high concern at least every three years. The department may add chemicals to the list if the chemical meets one or more of the criteria in section 116.9401, paragraph (e). Any changes to the list of chemicals of high concern must be published on the department's Web site and in the State Register when a change is made.

(c) The department shall consider chemicals listed as a suspected carcinogen, reproductive or developmental toxicant, or as being persistent, bioaccumulative, and toxic, or very persistent and very bioaccumulative by a state, federal, or international agency. These agencies may include, but are not limited to, the California Environmental Protection Agency, the Washington Department of Ecology, the United States Department of Health, the United States Environmental Protection Agency, the United Nation's World Health Organization, and European Parliament Annex XIV concerning the Registration, Evaluation, Authorisation, and Restriction of Chemicals.

(d) The department may consider chemicals listed by another state as harmful to human health or the environment for possible inclusion in the list of chemicals of high concern.

Sec. 8. Minnesota Statutes 2012, section 116.9403, is amended to read:

116.9403 IDENTIFICATION OF PRIORITY CHEMICALS.

Subdivision 1. Designation; publication. (a) The department, after consultation with the agency, may designate a chemical of high concern as a priority chemical if the department finds that the chemical:

(1) has been identified as a high-production volume chemical by the United States Environmental Protection Agency; and

(2) meets any of the following criteria:

(i) the chemical has been found through biomonitoring to be present in human blood, including umbilical cord blood, breast milk, urine, or other bodily tissues or fluids;

(ii) the chemical has been found through sampling and analysis to be present in household dust, indoor air, drinking water, or elsewhere in the home environment; or

(iii) the chemical has been found through monitoring to be present in fish, wildlife, or the natural environment.

(b) By February 1, 2011, the department shall publish a list of priority chemicals in the State Register and on the department's Internet Web site and shall update the published list whenever a new priority chemical is designated. Any proposed changes to the list of priority chemicals must be published on the department's Web site and in the State Register and will be subject to a minimum 60-day public comment period. In the 60 days following the date of publication in the State Register, the public may submit comments to the department on the proposed changes to the priority chemical list. A final list of changes to the list of priority chemicals must be published on the department's Web site following the end of the comment period and the department's review and consideration of all comments received during this period before finalizing changes to the list.

Subd. 2. Public data. Notwithstanding section 13.37, subdivision 2, the presence and concentration and total amount of a priority chemical in a specific children's product reported to the agency under section 116.9409, clauses (1) to (6), are classified as public data.

Subd. 3. Not misappropriation of trade secret. Notwithstanding section 325C.01, subdivision 3, publication of the presence and concentration and total amount of a priority chemical in a specific children's product under this section is not misappropriation of a trade secret.

Sec. 9. Minnesota Statutes 2012, section 116.9405, is amended to read:

116.9405 APPLICABILITY EXEMPTIONS.

The requirements of sections ~~116.9401~~ 116.9408 to ~~116.9407~~ 116.9425 do not apply to:

(1) chemicals in ~~used~~ previously owned children's products;

(2) priority chemicals used in the manufacturing process, but that are not present in the final product;

(3) priority chemicals used in agricultural production;

(4) motor vehicles as defined in chapter 168 or watercraft as defined in chapter 86B or their component parts, except that the use of priority chemicals in detachable car seats is not exempt;

(5) priority chemicals generated solely as combustion by-products or that are present ~~in combustible fuels; in combustible petroleum fuels or in biofuel, as defined in section 239.051, subdivision 5a;~~

(6) retailers, except if a retailer is also the producer, manufacturer, importer, or domestic distributor of a children's product containing a priority chemical or the retailer's brand name is affixed to a children's product containing a priority chemical;

(7) over-the-counter drugs, pharmaceutical products, dietary supplements, or biologics;

(8) a medical device as defined in the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 321(h);

(9) ~~food and food or beverage packaging, except a container containing baby food or infant formula;~~

~~(10) consumer electronics products and electronic components, including but not limited to personal computers; audio and video equipment; calculators; digital displays; wireless phones; cameras; game consoles; printers; and handheld electronic and electrical devices used to access interactive software or their associated peripherals; or products that comply with the provisions of directive 2002/95/EC of the European Union, adopted by the European Parliament and Council of the European Union now or hereafter in effect; or~~

(10) interactive software, such as computer games, and their storage media, such as compact discs;

(11) outdoor sport equipment, including snowmobiles as defined in section 84.81, subdivision 3; all-terrain vehicles as defined in section 84.92, subdivision 8; personal watercraft as defined in section 86B.005, subdivision 14a; watercraft as defined in section 86B.005, subdivision 18; and off-highway motorcycles, as defined in section 84.787, subdivision 7, and all attachments and repair parts for all of this equipment-;

(12) batteries; or

(13) a children's product, manufactured or distributed by an individual manufacturer or distributor, if fewer than 3,000 units of the children's product are manufactured or distributed annually in the United States by that manufacturer.

Sec. 10. Minnesota Statutes 2012, section 116.9406, is amended to read:

116.9406 DONATIONS TO THE STATE.

The commissioner may accept donations, grants, and other funds to carry out the purposes of sections 116.9401 to ~~116.9407~~ 116.9425. All donations, grants, and other funds must be accepted without preconditions regarding the outcomes of the regulatory oversight processes set forth in sections 116.9401 to ~~116.9407~~ 116.9425.

Sec. 11. [116.9408] CHILDREN'S PRODUCTS; INITIAL NOTIFICATION ON PRIORITY CHEMICALS.

(a) A manufacturer or distributor of a children's product offered for sale in this state that contains a priority chemical must, unless the children's product is not subject to regulation under section 116.9405, provide the information required under this section to the agency:

(1) within one year of the effective date of this act, if both the designation of the priority chemical under section 116.9403 and the offering for sale in this state of the children's product containing the priority chemical occurred prior to the effective date of this act;

(2) within one year of the priority chemical being designated under section 116.9403, if the children's product is initially offered for sale in this state before the designation and the designation is made after the effective date of this act; or

(3) within one year of the initial offering of the children's product for sale in this state, if the initial offering occurs after the priority chemical is designated under section 116.9403 and the designation is made after the effective date of this act.

(b) An initial notification is required for each children's product that is known or believed likely to include a priority chemical in any amount and must include the following information submitted to the agency on a form developed by the commissioner:

(1) the name of the priority chemical and its Chemical Abstracts Service Registry number;

(2) in which of the following tiers the children's product containing a priority chemical belongs:

(i) Tier 1: a mouthable children's product intended to be used by children three years of age or younger or a children's product intended to be placed in a child's mouth or directly applied to a child's skin;

(ii) Tier 2: a children's product intended to be in direct contact with a child's skin for one hour or longer, including but not limited to clothing, jewelry, bedding, or a car seat;

(iii) Tier 3: a children's product intended to be in direct contact with a child's skin for less than one hour; or

(iv) Tier 4: a children's product in which a priority chemical is contained only in an internal component that, under normal use, is unlikely to come into direct contact with a child's skin or mouth;

(3) a description of the product component in which the priority chemical is present; and

(4) the name and address of the reporting manufacturer or distributor and the name, address, and telephone number of the contact person for the reporting manufacturer or distributor.

Sec. 12. [116.9409] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING INFORMATION ON PRIORITY CHEMICALS; TIMING.

A manufacturer or distributor of a children's product offered for sale in this state that contains a priority chemical must, unless the children's product is not subject to regulation under section 116.9405, provide the full product information required under section 116.9410 to the agency. The maximum length of time between the filing of the information required under section 116.9408, paragraph (a), and the filing of full product information required under section 116.9410 varies according to the manufacturer's or distributor's annual aggregate gross sales, both within and outside the state, as reported in the manufacturer's or distributor's most recently filed federal tax return, as follows:

(1) for a manufacturer or distributor with gross sales exceeding \$1,000,000,000, one year or, for a priority chemical designated under section 116.9403 before January 1, 2014, by two years after the effective date of this section;

(2) for a manufacturer or distributor with gross sales exceeding \$250,000,000 but less than or equal to \$1,000,000,000, 1-1/2 years or, for a priority chemical designated under section 116.9403 before January 1, 2014, by 2-1/2 years after the effective date of this section;

(3) for a manufacturer or distributor with gross sales exceeding \$100,000,000 but less than or equal to \$250,000,000, two years or, for a priority chemical designated under section 116.9403 before January 1, 2014, by three years after the effective date of this section;

(4) for a manufacturer or distributor with gross sales exceeding \$5,000,000 but less than or equal to \$100,000,000, three years or, for a priority chemical designated under section 116.9403 before January 1, 2014, by four years after the effective date of this section;

(5) for a manufacturer or distributor with gross sales exceeding \$100,000 but less than or equal to \$5,000,000, four years or, for a priority chemical designated under section 116.9403 before January 1, 2014, by five years after the effective date of this section; and

(6) for a manufacturer or distributor with gross sales less than or equal to \$100,000, five years or, for a priority chemical designated under section 116.9403 before January 1, 2014, by six years after the effective date of this section.

Sec. 13. **[116.9410] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING INFORMATION ON PRIORITY CHEMICALS.**

(a) A manufacturer or distributor of a children's product offered for sale in the state that contains one or more priority chemicals must, except as provided in paragraph (e) or if the children's product is not subject to regulation under section 116.9405, provide the following full product information to the agency on a form developed by the commissioner:

(1) the name of each priority chemical and its Chemical Abstracts Service Registry number;

(2) in which of the following tiers the children's product containing a priority chemical belongs:

(i) Tier 1: a mouthable children's product intended to be used by children three years of age or younger or a children's product intended to be placed in a child's mouth or directly applied to a child's skin;

(ii) Tier 2: a children's product intended to be in direct contact with a child's skin for one hour or longer, including but not limited to clothing, jewelry, bedding, or a car seat;

(iii) Tier 3: a children's product intended to be in direct contact with a child's skin for less than one hour; or

(iv) Tier 4: a children's product in which a priority chemical is contained only in an internal component that, under normal use, is unlikely to come into direct contact with a child's skin or mouth;

(3) the product components, materials, or coatings that contain one or more priority chemicals;

(4) the concentration and total amount of each priority chemical contained in a children's product, a description of how the concentration was determined, and an evaluation of the accuracy of the determination. Concentrations at or above the practical quantification limit must be reported, but may be reported in the following ranges:

(i) greater than or equal to the practical quantification limit but less than 100 ppm;

- (ii) greater than or equal to 100 ppm but less than 500 ppm;
- (iii) greater than or equal to 500 ppm but less than 1,000 ppm;
- (iv) greater than or equal to 1,000 ppm but less than 5,000 ppm;
- (v) greater than or equal to 5,000 ppm but less than 10,000 ppm; and
- (vi) greater than or equal to 10,000 ppm.

For the purposes of this section, "ppm" means parts per million;

- (5) the product category or categories for the children's product;
 - (6) a description of the function of the priority chemical in the product, including whether it is present as a contaminant;
 - (7) the name and address of the manufacturer, distributor, or trade association filing the report and the name, address, and telephone number of the contact person for the reporting manufacturer, distributor, or trade association;
 - (8) evidence describing the extent to which a child is likely to be exposed to the priority chemical through normal use of the children's product;
 - (9) the number of units of the children's product sold or distributed in Minnesota or nationally;
 - (10) any other information the manufacturer or distributor deems relevant; and
 - (11) any other information requested by the commissioner.
- (b) Reporting shall include all intentionally added chemicals at or above the applicable practical quantification limit, and contaminants present in a product component at a concentration above 100 ppm.
- (c) Reporting parties are not required to include any specific formula information or the specific name and address of the facility that is responsible for introduction of a priority chemical into a children's product or product component.
- (d) If the information required in paragraph (a) is not submitted in a timely fashion or is incomplete or otherwise unacceptable as determined by the agency, the agency may contract with an independent third party of the agency's choice to provide the information and may assess a fee on the manufacturer or distributor to pay the costs as specified under section 116.9419.
- (e) The agency shall determine on a case-by-case basis if reporting the information in paragraph (a), clauses (3) to (9), is required by a manufacturer or distributor whose children's product belongs in Tier 4 under paragraph (a), clause (2).
- (f) If a manufacturer claims that any of the information provided to the agency under this section is trade secret information under section 13.37, subdivision 1, the agency shall make a determination regarding the claim. Information determined to be public data shall be posted on the agency's Web site. This paragraph does not apply to the presence and concentration and total amount of a priority chemical in a specific children's product, which is governed under section 116.9403, subdivisions 2 and 3.

(g) A trade association may file the information required under this section on behalf of a manufacturer or distributor, provided that the trade association includes in the filing a list of the manufacturers or distributors on whose behalf the trade association is reporting and all the information otherwise required of an individual manufacturer or distributor.

Sec. 14. [116.9411] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING INFORMATION ON PRIORITY CHEMICALS; SECOND AND SUBSEQUENT REPORTS.

(a) Following the initial submission of the information required under section 116.9410, a manufacturer or distributor of a children's product offered for sale in the state that continues to contain a priority chemical must submit the information required under section 116.9410 to the agency every two years.

(b) If a reporting party determines that there has been no change in the information required to be filed under section 116.9410 since the most recent filing, the reporting party may submit a written statement indicating that the previously filed data is still valid, in lieu of a new duplicate complete report, and must submit the required fees.

(c) If a manufacturer or distributor is required to file more than one report under section 116.9410 on the same priority chemical in the same children's product code, each subsequent report must include the following information in addition to the information required under section 116.9410:

(1) the product code of the children's product; and

(2) a description of the manufacturer's attempts to remove the priority chemical from the children's product and any evaluation made of the use of safer alternatives to substitute for the priority chemical contained in the children's product, including the Chemical Abstracts Service Registry numbers of safer alternatives considered. If the manufacturer claims that any information provided to the agency under this clause is trade secret information under section 13.37, subdivision 1, the agency shall make a determination regarding the claim.

Sec. 15. [116.9412] CHILDREN'S PRODUCTS; REMOVING A PRIORITY CHEMICAL; REPORTING REQUIREMENT.

A manufacturer or distributor who removes a priority chemical from a children's product for which an initial notification has been filed under section 116.9408 or for which full product information has been filed under section 116.9410 must notify the agency of the removal at the earliest date possible. If the priority chemical removed is replaced by a safer alternative, the manufacturer or distributor must provide, on a form developed by the commissioner, the information in section 116.9410, paragraph (a), clauses (1) to (7), and the name of the safer alternative and its Chemical Abstracts Service Registry number, or, if not replaced by a chemical alternative, a description of the techniques or design changes implemented. The safer alternative or nonchemical techniques or design changes are trade secrets.

Sec. 16. [116.9419] FEES.

(a) The agency shall, if applicable, assess and collect the following fees from manufacturers and distributors of children's products offered for sale in this state:

(1) a fee of \$1,000 for each full product report required under section 116.9410. If a children's product contains more than one priority chemical, each priority chemical is subject to this fee;

(2) a fee equal to the costs billed by the independent contractor plus the agency's actual incurred costs to bid and administer the contract for each contract issued under section 116.9410, paragraph (d); and

(3) a fee equal to twice the fee in clause (1) for the second full product report required under section 116.9410 on the same priority chemical in the same children's product. The fee for each subsequent full product report required under that section is correspondingly increased by an amount equal to the fee in clause (1).

(b) No fee is required for filing an initial notification under section 116.9408.

(c) The commissioner shall deposit all fees collected under this section in the environmental fund. All fees collected under this section are exempt from section 16A.1285.

Sec. 17. **[116.9420] STATE AGENCY DUTIES.**

(a) The agency shall publish all data that is required to be filed under sections 116.9410 and 116.9411 and that is not trade secret data on the agency's Web site and through other means determined by the commissioner.

(b) If a priority chemical continues to be used in a specific children's product after its manufacturer files a report required under section 116.9411, the commissioner may recommend options to further reduce or eliminate the use of the priority chemical in the report required under section 116.9425.

(c) The commissioner, in consultation with the commissioners of commerce and health, may use fee revenue in excess of program implementation costs to offer grants awarded competitively to manufacturers or other researchers to develop safer alternatives to priority chemicals in children's products, to establish alternatives as safer alternatives, or to accelerate the commercialization of safer alternatives.

(d) The commissioners of health and commerce shall develop and implement an education effort regarding priority chemicals in children's products. Education and outreach activities include, but are not limited to, consumer product safety advice; notification of recalls; identification of target audiences for product alerts and methods of notification; outreach and feedback at county and state fairs; publicity of reporting requirements of priority chemicals in children's products; and education of retailers about reporting requirements.

Sec. 18. **[116.9423] ENFORCEMENT.**

The agency shall enforce sections 116.9401 to 116.9424 and rules adopted thereunder in the manner provided by section 115.071, subdivisions 1, 3, 4, 5, and 6. Section 115.071, subdivision 2, does not apply to violations of sections 116.9401 to 116.9424 and rules adopted thereunder.

Sec. 19. **[116.9424] RULES.**

The commissioner or the commissioner of commerce may adopt rules as necessary to implement, administer, and enforce sections 116.9401 to 116.9425.

Sec. 20. **[116.9425] REPORT.**

By November 15, 2015, and every three years thereafter, the commissioners of the Pollution Control Agency, health, and commerce shall report to the legislative committees with jurisdiction over environment and natural resources, commerce, and public health on the implementation of sections 116.9401 to 116.9424.

Sec. 21. **[347.57] DEFINITIONS.**

Subdivision 1. **Terms.** The definitions in this section apply to sections 347.57 to 347.64.

Subd. 2. **Animal.** "Animal" means a dog or a cat.

Subd. 3. **Board.** "Board" means the Board of Animal Health.

Subd. 4. **Cat.** "Cat" means a mammal that is wholly or in part of the species Felis domesticus. An adult cat is a cat 28 weeks of age or older. A kitten is a cat under 28 weeks of age.

Subd. 5. **Commercial breeder.** "Commercial breeder" means a person who possesses or has an ownership interest in animals and is engaged in the business of breeding animals for sale or for exchange in return for consideration, and who possesses ten or more adult intact animals and whose animals produce more than five total litters of puppies or kittens per year.

Subd. 6. **Confinement area.** "Confinement area" means a structure used or designed for use to restrict an animal to a limited amount of space, such as a room, pen, cage, kennel, compartment, crate, or hutch.

Subd. 7. **Dog.** "Dog" means a mammal that is wholly or in part of the species Canis familiaris. An adult dog is a dog 28 weeks of age or older. A puppy is a dog under 28 weeks of age.

Subd. 8. **Facility.** "Facility" means the place used by a commercial breeder for breeding animals, and includes all buildings, property, confinement areas, and vehicles.

Subd. 9. **Local animal control authority.** "Local animal control authority" means an agency of the state, county, municipality, or other political subdivision of the state that is responsible for animal control operations in its jurisdiction.

Subd. 10. **Person.** "Person" means a natural person, firm, partnership, corporation, or association, however organized.

Subd. 11. **Possess.** "Possess" means to have custody of or have control over.

Subd. 12. **Veterinarian.** "Veterinarian" means a veterinarian in good standing and licensed in the state of Minnesota.

Sec. 22. **[347.58] LICENSING AND INSPECTIONS.**

Subdivision 1. **Licensing.** (a) The board may grant an operating license to a commercial breeder and must enforce sections 347.58 to 347.64.

(b) Beginning July 1, 2015, a commercial breeder must obtain an annual license for each facility it owns or operates. More than one building on the same premises is considered one facility. The initial prelicense inspection fee and the annual license fee is \$10 per adult intact animal, but each fee must not exceed \$250.

(c) The board must perform an announced initial prelicense inspection within 60 days from the date of receiving a license application. A commercial breeder is not in violation of this section if the commercial breeder has filed a completed license application with the board and the board has not performed the initial prelicense inspection. The board must inspect a commercial breeder's facility before an initial license is issued. The initial prelicense inspection fee must be included with the license application. Upon completion of the inspection, the inspector must provide the commercial breeder an inspection certificate signed by the inspector in a format approved by the board.

(d) The license application must indicate if a commercial breeder operates under more than one name from a single location or has an ownership interest in any other facility. License holders must keep separate records for each business name.

(e) The application must include a statement that includes the following information:

(1) whether any license held by an applicant under this section or under any other federal, state, county, or local law, ordinance, or other regulation relating to breeding cats or dogs was ever suspended, revoked, or denied; and

(2) whether the applicant was ever convicted of animal cruelty.

(f) An application from a partnership, corporation, or limited liability company must include the name and address of all partners, directors, officers, or members and must include a notation of any partners, directors, officers, members, or others authorized to represent the partnership, corporation, or limited liability company.

(g) A nonresident applicant must consent to adjudication of any violation under the laws of the state of Minnesota and in Minnesota courts.

(h) A license issued under this section is not transferable.

(i) A license holder must apply for license renewal annually by submitting a renewal application on a form approved by the board. The license renewal application must be postmarked or submitted electronically in a method approved by the board by July 1 of each year. The board may assess a late renewal penalty of up to 50 percent of the license fee. If a license is not renewed by August 1, the board may require the commercial breeder to reapply for an initial license.

(j) A commercial breeder must submit to the board an annual report by July 1 on a form prepared by the board. The form must include the current number of cats and dogs at the facility on the date of the report, the number of animals during the preceding year that were sold, traded, bartered, leased, brokered, given away, euthanized, or deceased from other causes, and any other information required by the board.

(k) If a commercial breeder is required to be licensed by the United States Department of Agriculture, United States Department of Agriculture inspection reports and records relating to animal care plans and veterinary care must be made available during an inspection, upon request.

(l) A commercial breeder must prominently display the commercial breeder's license at each facility.

(m) A commercial breeder's state license number or a symbol approved by the board must be included in all of the commercial breeder's advertisements or promotions that pertain to animals being sold or traded including, but not limited to, all newspapers, Internet, radio, or flyers.

(n) A commercial breeder must notify the board by certified mail or electronically in a method approved by the board within ten days of any change in address, name, management, or substantial control and ownership of the business or operation.

(o) The board must refuse to issue an initial license when a commercial breeder:

(1) is in violation of section 343.21; 343.24; 343.27; 343.28; 343.31; 343.37; 346.37; 346.38; 346.39; 346.44; or 346.155;

(2) has failed to meet any of the requirements of this section and section 347.59;

(3) is in violation of a local ordinance regarding breeders;

(4) has been convicted, other than a petty misdemeanor conviction, of cruelty to animals under Minnesota law or a substantially similar animal cruelty law of another jurisdiction;

(5) has had a substantially similar license denied, revoked, or suspended by another federal or state authority within the last five years; or

(6) has falsified any material information requested by the board.

(p) A person who has been an officer, agent, direct family member, or employee of a commercial breeder whose license was revoked or suspended and who was responsible for or participated in the violation that was a basis for the revocation or suspension may not be licensed while the revocation or suspension is in effect.

Subd. 2. Inspections. (a) The board must inspect each licensed facility at least annually. The inspection must be with the commercial breeder or an agent of the commercial breeder present. The inspector must submit an inspection report to the board within ten days of each inspection on a form prepared by the board. The inspection report form must list separately each law, rule, regulation, and ordinance the facility is not in compliance with and what correction is required for compliance. The inspection report form must document the animal inventory on the date of the inspection.

(b) If, after the prelicense inspection, the commercial breeder has two consecutive years of inspections with no violations, the board must inspect the commercial breeder at least every two years. If the commercial breeder has any violations during an inspection or if the board has cause, the board must inspect the commercial breeder at least annually.

(c) If a license to operate is suspended, revoked, or denied, the board must be granted access to the facility during normal business hours to verify that it is not operating.

Subd. 3. Record requirements. (a) The commercial breeder must keep records on each animal at the facility that includes:

(1) the name, address, and United States Department of Agriculture license number, if applicable, from whom an animal was received; the date the commercial breeder received the animal; the date of the animal's birth; the breed, sex, color, and identifying marks of the animal; any identifying tag, tattoo, microchip, or collar number; worming treatments, vaccinations, and name of the person who administered the vaccination; medication received by the animal while in the possession of the commercial breeder; and any disease conditions diagnosed by a veterinarian; and

(2) the name and address of the person or entity to whom an animal was transferred.

(b) The commercial breeder must maintain a copy of the records required to be kept under this subdivision for two years.

Subd. 4. Veterinary protocol. (a) A commercial breeder must establish and maintain a written protocol for disease control and prevention, euthanasia, and veterinary care of animals at each facility. The initial protocol must be developed under the direction and supervision of the board. A commercial breeder must maintain a written protocol that is updated at least every 12 months and that is signed and dated by the board or by a veterinarian along with the commercial breeder. The written protocol must be available to the board upon request or at the time of inspection.

(b) An animal sold or otherwise distributed by a commercial breeder must be accompanied by a veterinary health certificate completed by a veterinarian. The certificate must be completed within 30 days prior to the sale or distribution and must indicate that the animal is current with vaccinations and has no signs of infectious or

contagious diseases. The certificate accompanying an adult dog that was not spayed or neutered must indicate that the dog has no signs of infectious or contagious diseases and was tested for canine brucellosis with a test approved by the board and found to be negative.

Subd. 5. **Posting of information.** The board must maintain and post in a timely manner on its Web site a list of commercial breeders licensed and in good standing under this section.

Sec. 23. **[347.59] STANDARDS OF CARE.**

(a) A commercial breeder must comply with chapters 343 and 346.

(b) A commercial breeder must ensure that animals that are part of the commercial breeder's breeding business operations are cared for as follows:

(1) cats must not be housed in outdoor confinement areas;

(2) animals exercised in groups must be compatible and show no signs of contagious or infectious disease;

(3) females in estrus must not be housed in the same confinement area with unneutered males, except for breeding purposes;

(4) animals must be provided daily enrichment and must be provided positive physical contact with human beings and compatible animals at least twice daily unless a veterinarian determines such activities would adversely affect the health or well-being of the animal;

(5) animals must not be sold, traded, or given away before the age of eight weeks unless a veterinarian determines it would be in the best interests of the health or well-being of the animal;

(6) the commercial breeder must provide identification and tracking for each animal, which is not transferable to another animal; and

(7) the commercial breeder must provide adequate staff to maintain the facility and observe each animal daily to monitor each animal's health and well-being, and to properly care for the animals.

(c) A commercial breeder must not knowingly hire staff or independent contractors who have been convicted of cruelty to animals under the law of any jurisdiction.

(d) A commercial breeder must comply with any additional standards the board considers necessary to protect the public health and welfare of animals covered under sections 347.57 to 347.61. The standards must be established by rule.

(e) A United States Department of Agriculture (USDA) licensed breeder or dealer who is in compliance with the minimum USDA regulations governing the license holder as they relate to animal confinement areas as of the effective date of this section does not have to comply with the minimum confinement area measurements under section 346.39, subdivision 4, for existing confinement areas in each facility the breeder or dealer owns. If a USDA-licensed breeder or dealer builds a new confinement area after the effective date of this section, those minimum standards must meet or exceed the minimum specifications as they relate to confinement area size under section 346.39, subdivision 4.

Sec. 24. **[347.60] INVESTIGATIONS.**

(a) The board must initiate an investigation upon receiving a formal complaint alleging violations of section 347.58 or 347.59.

(b) When a local animal control authority, a peace officer, or a humane agent appointed under section 343.01 is made aware of an alleged violation under this chapter or chapter 343 or 346, committed by a commercial breeder, the local animal control authority, peace officer, or humane agent appointed under section 343.01 must report the alleged violation in a timely manner to the board.

Sec. 25. **[347.61] CIVIL ENFORCEMENT.**

Subdivision 1. **Correction orders.** (a) The board may issue a correction order requiring a commercial breeder to correct a violation of state statutes, rules, and regulations governing breeding facilities. The correction order must state the deficiencies that constitute the violation; the specific statute, rule, or regulation violated; and when the violation must be corrected.

(b) A commercial breeder may ask the board to reconsider any portion of the correction order that the commercial breeder believes is in error. The request for reconsideration must be made in writing by certified mail or electronically in a method approved by the board within seven days after receipt of the correction order. The request for reconsideration does not stay the correction order. The board must respond to the request for reconsideration within 15 days after receiving a request. The board's disposition of a request for reconsideration is final. The board may extend the time for complying with a correction order after receiving a request for reconsideration if necessary.

(c) The board must reinspect the facility within 15 days after the time for correcting the violation has passed to determine whether the violation has been corrected. If the violation has been corrected, the board must notify the commercial breeder in writing that the commercial breeder is in compliance with the correction order. The board may charge a reinspection fee to determine if a previous violation has been corrected.

Subd. 2. **Administrative penalty orders.** After the inspection required under subdivision 1, paragraph (c), the board may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations. The administrative penalty order must include a citation of the statute, rule, or regulation violated; a description of the violation; and the amount of the penalty for each violation. A single correction order may assess a maximum administrative penalty of \$5,000.

Subd. 3. **Injunctive relief.** In addition to any other remedy provided by law, the board may bring an action for injunctive relief in the district court in Ramsey County or in the county in which a violation of the statutes, rules, or regulations governing the breeding of cats and dogs occurred to enjoin the violation.

Subd. 4. **Cease and desist.** The board must issue an order to cease a practice if its continuation would result in an immediate risk to animal welfare or public health. An order issued under this subdivision is effective for a maximum of 72 hours. The board or its designated agent must seek an injunction or take other administrative action authorized by law to restrain a practice beyond 72 hours. The issuance of a cease-and-desist order does not preclude other enforcement action by the board.

Subd. 5. **Refusal to reissue license; license suspension or revocation.** (a) The board may suspend, revoke, or refuse to renew a license as follows:

(1) for failure to comply with a correction order;

(2) for failure to pay an administrative penalty;

(3) for failure to meet the requirements of section 347.58 or 347.59; or

(4) for falsifying information requested by the board.

A license suspension, revocation, or nonrenewal may be appealed through the Office of Administrative Hearings. A notice of intent to appeal must be filed in writing with the board within 20 days after receipt of the notice of suspension, revocation, or nonrenewal.

(b) The board must revoke a license if a commercial breeder has been convicted of cruelty to animals under Minnesota law or a substantially similar animal cruelty law of another jurisdiction, or for the denial, revocation, or suspension of a similar license by another federal or state authority. A license revocation under this subdivision may be appealed through the Office of Administrative Hearings. A notice of intent to appeal must be filed in writing with the board within 20 days after receipt of the notice of revocation.

(c) A commercial breeder whose license is revoked may not reapply for licensure for two years after the date of revocation. The license is permanently revoked if the basis for the revocation was a gross misdemeanor or felony conviction for animal cruelty.

(d) A commercial breeder whose license is suspended or revoked two times is permanently barred from licensure.

Subd. 6. **Administrative hearing rights.** (a) Except as provided in paragraph (b), if the board proposes to refuse to renew, suspend, or revoke a license, the board must first notify the commercial breeder in writing of the proposed action and provide an opportunity to request a hearing under the contested case provisions of chapter 14. If the commercial breeder does not request a hearing within 20 days after receipt of the notice of the proposed action, the board may proceed with the action without a hearing.

(b) The contested case provisions of chapter 14 do not apply when the board denies a license based on an applicant's failure to meet the minimum qualifications for licensure.

(c) A commercial breeder may appeal the amount of an administrative penalty order through the Office of Administrative Hearings pursuant to the procedures set forth in chapter 14. A commercial breeder wishing to file an appeal must notify the board in writing within 20 days after receipt of the administrative penalty order.

Subd. 7. **Other jurisdictions.** The board may accept as prima facie evidence of grounds for an enforcement action under this section any enforcement or disciplinary action from another jurisdiction, if the underlying violation would be grounds for a violation under the provisions of this section.

Subd. 8. **Appeals.** A final order by the board may be appealed to the Minnesota Court of Appeals.

Sec. 26. **[347.615] BIOSECURITY; ENTRY INTO FACILITIES.**

No law enforcement officer, agent of the board, or other official may enter a commercial breeder facility unless the person follows either the biosecurity procedure issued by the board or a reasonable biosecurity procedure maintained and prominently posted by the commercial breeder at each entry to a facility, whichever is more stringent. This section does not apply in emergency or exigent circumstances.

Sec. 27. **[347.62] PENALTIES.**

(a) A violation of section 347.58 or 347.59 that results in cruelty or torture to an animal, as those terms are defined in section 343.20, subdivision 3, is subject to the penalties in section 343.21, subdivisions 9 and 10, relating to pet or companion animals.

(b) It is a misdemeanor to falsify information in a license application, annual report, or record.

(c) It is a misdemeanor for an unlicensed commercial breeder to advertise animals for sale.

(d) It is a misdemeanor for a commercial breeder to operate without a license.

Sec. 28. **[347.63] DOG AND CAT BREEDERS LICENSING ACCOUNT; APPROPRIATION.**

A dog and cat breeders licensing account is created in the special revenue fund. All fees and penalties collected by the board under sections 347.58 to 347.62 must be deposited in the state treasury and credited to the dog and cat breeders licensing account in the special revenue fund. Money in the account, including interest on the account, is annually appropriated to the board to administer those sections.

Sec. 29. **[347.64] APPLICABILITY.**

Sections 347.57 to 347.63 do not apply to:

(1) any species other than dogs and cats as they are defined in section 347.57; and

(2) veterinary clinics or veterinary hospitals.

Sec. 30. Laws 2008, chapter 363, article 5, section 4, subdivision 7, as amended by Laws 2009, chapter 37, article 1, section 61, is amended to read:

Subd. 7. Fish and Wildlife Management	123,000	119,000
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Appropriations by Fund

General	-0-	(427,000)
Game and Fish	123,000	546,000

\$329,000 in 2009 is a reduction for fish and wildlife management.

\$46,000 in 2009 is a reduction in the appropriation for the Minnesota Shooting Sports Education Center.

\$52,000 in 2009 is a reduction for licensing.

\$123,000 in 2008 and \$246,000 in 2009 are from the game and fish fund to implement fish virus surveillance, prepare infrastructure to handle possible outbreaks, and implement control procedures for highest risk waters and fish production operations. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 297A.94, paragraph (e), \$300,000 in 2009 is from the second year appropriation in Laws 2007, chapter 57, article 1, section 4, subdivision 7, from the heritage enhancement account in the game and fish fund ~~to study, predesign, and design a shooting sports facility in the seven county metropolitan area~~ for shooting sports facilities. Of this amount, \$100,000 is for a grant to the Itasca County Gun Club for shooting sports facility improvements; and the remaining balance is for trap shooting facility grants under Minnesota Statutes, section 87A.10. This is available onetime only and is available until expended.

\$300,000 in 2009 is appropriated from the game and fish fund for only activities that improve, enhance, or protect fish and wildlife resources. This is a onetime appropriation.

Sec. 31. Laws 2012, chapter 249, section 11, is amended to read:

Sec. 11. COSTS OF SCHOOL TRUST LANDS DIRECTOR AND LEGISLATIVE PERMANENT SCHOOL FUND COMMISSION.

(a) The costs of the school trust lands director, including the costs of hiring staff, and the Legislative Permanent School Fund Commission for fiscal years 2014 ~~and, 2015, and 2016~~ shall be from the state forest ~~development~~ suspense account under Minnesota Statutes, section 16A.125, and from the minerals management account under Minnesota Statutes, section 93.2236, ~~as appropriated by the legislature.~~

(b) The school trust lands director and the Legislative Permanent School Fund Commission shall submit to the ~~2014~~ 2015 legislature a proposal to fund the operational costs of the Legislative Permanent School Fund Commission and school trust lands director and staff with a cost certification method using revenues generated by the permanent school fund lands.

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

Sec. 32. RECOGNITION; COMMERCIAL BREEDER EXCELLENCE.

The Board of Animal Health, in consultation with representatives of the licensed commercial breeder industry, must develop a program to recognize persons who demonstrate commercial breeder excellence and exceed the standards and practices required of commercial breeders under this act.

Sec. 33. REGISTRATION; INITIAL PRELICENSE INSPECTIONS.

Subdivision 1. Commercial breeder registration. Beginning July 1, 2014, until June 30, 2015, a commercial breeder must register each facility it owns or operates by paying a registration fee not to exceed \$250 per facility to the Board of Animal Health.

Subd. 2. Initial precense inspections. Beginning July 1, 2014, the board may begin the initial precense inspections under Minnesota Statutes, section 347.58.

Subd. 3. Deposits of fees. Fees collected under this section must be deposited in the dog and cat breeders licensing account in the special revenue fund.

EDUCATION

ARTICLE 15
GENERAL EDUCATION

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

Subd. 2. **Reserve revenue.** Each district that is a member of an area learning center or alternative learning program must reserve revenue in an amount equal to the sum of (1) at least 90 and no more than 100 percent of the district average general education revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times ~~.0485~~ .0466, calculated without basic skills revenue and transportation sparsity revenue, times the number of pupil units attending an area learning center or alternative learning program under this section, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center or alternative learning program. The amount of reserved revenue under this subdivision may only be spent on program costs associated with the area learning center or alternative learning program.

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

Sec. 2. Minnesota Statutes 2013 Supplement, section 123B.75, subdivision 5, is amended to read:

Subd. 5. **Levy recognition.** For fiscal year ~~2011~~ 2014 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) ~~the greater of 48.6 percent of the referendum levy certified according to section 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified according to section 126C.17 in calendar year 2000; plus~~

(ii) ~~the entire amount of the levy certified in the prior calendar year according to section 124D.4531, 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 124D.862, for Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, and Independent School District No. 709, Duluth; 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision 6; plus~~

(iii) ~~48.6 percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).~~

Sec. 3. Minnesota Statutes 2012, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** A postsecondary institution shall give priority to its postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs ~~on educational and programmatic grounds only~~. An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program specifically designed to allow

the student to earn dual high school and college credit. In this case, the student shall receive developmental college credit and not college credit for completing remedial or developmental courses. Once a pupil has been enrolled in a postsecondary course under this section, the pupil shall not be displaced by another student.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 124D.09, subdivision 13, is amended to read:

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

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

A postsecondary institution shall receive the following:

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

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

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

EFFECTIVE DATE. This section is effective for fiscal year 2015 and later.

Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.11, subdivision 1, is amended to read:

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

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

Sec. 6. Minnesota Statutes 2013 Supplement, section 126C.05, subdivision 15, is amended to read:

Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning year program under section 124D.128, an area learning center or an alternative learning program approved by the commissioner under sections 123A.05 and 123A.06, or a contract alternative program under section 124D.68, subdivision 3, paragraph (d), or subdivision 4, for more than 1,020 hours in a school year for a secondary student, more than 935 hours in a school year for an elementary student, more than 850 hours in a school year for a kindergarten student without a disability in an all-day kindergarten program, or more than 425 hours in a school year for a half-day kindergarten student without a disability, that pupil may be counted as more than one pupil in average daily membership for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must be determined by the ratio of the number of hours of instruction provided to that pupil in excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours or the number of hours required for a full-time elementary pupil in the district to 935 for an elementary pupil in grades 1 through 6; and (iii) the greater of ~~425~~ 850 hours or the number of hours required for a full-time kindergarten student without a disability in the district to ~~425~~ 850 for a kindergarten student without a disability; ~~and (iv) the greater of 425 hours or the number of hours required for a half-time kindergarten student without a disability in the district to 425 for a half-day kindergarten student without a disability.~~ Hours that occur after the close of the instructional year in June shall be attributable to the following fiscal year. A student in kindergarten or grades 1 through 12 must not be counted as more than 1.2 pupils in average daily membership under this subdivision.

(b)(i) To receive general education revenue for a pupil in an area learning center or alternative learning program that has an independent study component, a district must meet the requirements in this paragraph. The district must develop, for the pupil, a continual learning plan consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 and not more than 100 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(ii) General education revenue for a pupil in a state-approved alternative program without an independent study component must be prorated for a pupil participating for less than a full year, or its equivalent. The district must develop a continual learning plan for the pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 and not more than 100 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

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

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

Sec. 7. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** For fiscal year 2014, the basic revenue for each district equals the formula allowance times the adjusted marginal cost pupil units for the school year. For fiscal year 2015 and later, the basic revenue for each district equals the formula allowance times the adjusted pupil units for the school year. The formula allowance for fiscal year 2013 is \$5,224. The formula allowance for fiscal year 2014 is \$5,302. The formula allowance for fiscal year 2015 and later is ~~\$5,806~~ \$5,871.

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

Sec. 8. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2a, is amended to read:

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

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

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

Sec. 9. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 24, is amended to read:

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

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

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

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

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

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

(e) A school district's equity revenue for a school district located in:

(1) the metro equity region;

(2) a school district with its administrative offices located in any Minnesota county in the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area delineated in 2009 by the United States Census Bureau;

(3) Independent School District No. 742, St. Cloud, or a district bordering the St. Cloud school district;

(4) Independent School District No. 709, Duluth, or a school district bordering the Duluth school district;

(5) Independent School District No. 535, Rochester, or a district bordering the Rochester school district; or

(6) Independent School District No. 152, Moorhead, school district or a district bordering the Moorhead school district;

equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

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

EFFECTIVE DATE. The changes in paragraph (d) are effective for revenue for fiscal year 2015 and later. The changes in paragraph (e) are effective for revenue for fiscal years 2017 and later.

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

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

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

Sec. 11. Minnesota Statutes 2012, section 126C.10, subdivision 26, is amended to read:

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

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

Sec. 12. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 31, is amended to read:

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

(1) the sum of:

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

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

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

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

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

(2) the sum of the district's:

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

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

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

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

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

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

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

Sec. 13. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 6, is amended to read:

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

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

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

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

Sec. 14. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 7b, is amended to read:

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

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

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

Sec. 15. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 16. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9a, is amended to read:

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

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

Sec. 17. Minnesota Statutes 2013 Supplement, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

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

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

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

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

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

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

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

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

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

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

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

(c) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$10 ~~\$15~~ times the adjusted ~~marginal-cost~~ pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.

EFFECTIVE DATE. This section is effective for taxes payable in 2015 and later.

Sec. 18. Minnesota Statutes 2012, section 127A.45, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 127A.33, apportionments by the county auditor pursuant to section 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) "Cumulative amount guaranteed" means the product of

(1) the cumulative disbursement percentage shown in subdivision 3; times

(2) the sum of

(i) the current year aid payment percentage of the estimated aid and credit entitlements paid according to subdivision 13; plus

(ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

(iii) the other district receipts.

(c) "Payment date" means the date on which state payments to districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday, or a weekday which is a legal holiday, the payment shall be made on the immediately preceding business day. The commissioner may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

(d) The current year aid payment percentage equals ~~73 in fiscal year 2010 and 70 in fiscal year 2011, and 60 in fiscal years 2012 and later~~ 90.

Sec. 19. Minnesota Statutes 2012, section 127A.45, subdivision 3, is amended to read:

Subd. 3. **Payment dates and percentages.** (a) The commissioner shall pay to a district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (1) the district's other district receipts through the current payment, and (2) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	5.5
Payment 2	July 30:	8.0
Payment 3	August 15:	17.5
Payment 4	August 30:	20.0
Payment 5	September 15:	22.5
Payment 6	September 30:	25.0
Payment 7	October 15:	27.0
Payment 8	October 30:	30.0
Payment 9	November 15:	32.5
Payment 10	November 30:	36.5
Payment 11	December 15:	42.0
Payment 12	December 30:	45.0
Payment 13	January 15:	50.0
Payment 14	January 30:	54.0
Payment 15	February 15:	58.0
Payment 16	February 28:	63.0
Payment 17	March 15:	68.0
Payment 18	March 30:	74.0
Payment 19	April 15:	78.0
Payment 20	April 30:	85.0
Payment 21	May 15:	90.0
Payment 22	May 30:	95.0
Payment 23	June 20:	100.0

(b) In addition to the amounts paid under paragraph (a), the commissioner shall pay to a school district or charter school on the dates indicated an amount computed as follows:

Payment 3	August 15: the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392
Payment 4	August 30: 30 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits
Payment 6	September 30: 40 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits
Payment 8	October 30: 30 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits

(c) Notwithstanding paragraph (b), if the current year aid payment percentage under subdivision 2, paragraph (d), is less than 90, in addition to the amounts paid under paragraph (a), the commissioner shall pay to a charter school on the dates indicated an amount computed as follows:

Payment 1	July 15: 75 percent of the final adjustment for the prior fiscal year for all aid entitlements
Payment 8	October 30: 25 percent of the final adjustment for the prior fiscal year for all aid entitlements

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 20. Minnesota Statutes 2013 Supplement, section 127A.47, subdivision 7, is amended to read:

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

(b) For purposes of this subdivision, the "unreimbursed cost of providing special education and services" means the difference between: (1) the actual cost of providing special instruction and services, including special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid as defined in section 125A.11, subdivision 1, paragraph (c), attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, minus (3) special education aid under section 125A.76 attributable to that pupil, that is received by the district providing special instruction and services. For purposes of this paragraph, general education revenue and referendum equalization aid attributable to a pupil must be calculated using the serving district's average general education revenue and referendum equalization aid per adjusted pupil unit.

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

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

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

(f) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge the resident district tuition for pupils rather than to have the general education revenue paid to a fiscal agent school district. Except as provided in paragraph (e), the district of residence must pay tuition equal to at least 90 and no more than 100 percent of the district average general education revenue per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without compensatory revenue and transportation sparsity revenue, times the number of pupil units for pupils attending the area learning center.

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

Sec. 21. Laws 2012, chapter 263, section 1, is amended to read:

Section 1. **INNOVATIVE DELIVERY OF EDUCATION SERVICES AND SHARING OF DISTRICT RESOURCES; PILOT PROJECT.**

Subdivision 1. **Establishment; requirements for participation.** (a) ~~A five-year pilot project for the 2013-2014 through 2017-2018 school years~~ is established to improve student and school outcomes by allowing groups of school districts to work together to provide innovative education programs and activities and share district resources. The pilot project may last until June 30, 2018, or for up to five years, whichever is less, except that innovation partnerships formed during the period of the pilot project may continue past June 30, 2018, with the agreement of the partnership members.

(b) To participate in this pilot project to improve student and school outcomes, a group of two or more school districts must collaborate with school staff and receive formal school board approval to form a partnership. The partnership must develop a plan to provide challenging programmatic options for students, create professional development opportunities for educators, increase student engagement and connection and challenging learning opportunities for students, or demonstrate efficiencies in delivering financial and other services. The plan must establish:

- (1) collaborative educational goals and objectives;
- (2) strategies and processes to implement those goals and objectives, including a budget process with periodic expenditure reviews;
- (3) valid and reliable measures to evaluate progress in realizing the goals and objectives;
- (4) an implementation timeline; and
- (5) other applicable conditions, regulations, responsibilities, duties, provisions, fee schedules, and legal considerations needed to fully implement the plan.

A partnership may invite additional districts to join the partnership during the pilot project term after notifying the commissioner.

(c) A partnership of interested districts must apply by February 1, ~~2013~~, of any year to the education commissioner in the form and manner the commissioner determines, consistent with this section. The application must contain the formal approval adopted by the school board in each district to participate in the plan.

(d) Notwithstanding other law to the contrary, a participating school district under this section continues to: receive revenue and maintain its taxation authority; be organized and governed by an elected school board with general powers under Minnesota Statutes, section 123B.02; and be subject to employment agreements under Minnesota Statutes, chapter 122A, and Minnesota Statutes, section 179A.20; and district employees continue to remain employees of the employing school district.

Subd. 2. **Commissioner's role.** Interested groups of school districts must submit a completed application to the commissioner by March 1, ~~2013~~, of any year in the form and manner determined by the commissioner. The education commissioner must convene an advisory panel composed of a teacher appointed by Education Minnesota, a school principal appointed by the Minnesota Association of Secondary School Principals, a school board member appointed by the Minnesota School Boards Association, and a school superintendent appointed by the Minnesota Association of School Administrators to advise the commissioner on applicants' qualifications to participate in this pilot project. The commissioner ~~must select between three and~~ may select up to six qualified applicants under subdivision 1 by April 1, ~~2013~~, of any year to participate in this pilot project, ensuring an equitable geographical distribution of project participants to the extent practicable. The commissioner must select only those applicants that fully comply with the requirements in subdivision 1. The commissioner must terminate a project participant that fails to effectively implement the goals and objectives contained in its application and according to its stated timeline.

Subd. 3. **Pilot project evaluation.** Participating school districts must submit pilot project data to the commissioner in the form and manner determined by the commissioner. The education commissioner must analyze participating districts' progress in realizing their educational goals and objectives to work together in providing innovative education programs and activities and sharing resources. The commissioner must include the analysis of best practices in a report to the legislative committees with jurisdiction over kindergarten through grade 12 education finance and policy on the efficacy of this pilot project. The commissioner ~~may~~ shall submit an interim project report ~~at any time by February 1, 2016~~, and must submit a final report to the legislature by February 1, ~~2018~~ 2019, recommending whether or not to continue or expand the pilot project.

Sec. 22. Laws 2012, chapter 263, section 1, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective the day following final enactment ~~and applies to the 2013-2014 through 2017-2018 school years.~~

Sec. 23. Laws 2013, chapter 116, article 1, section 58, subdivision 2, is amended to read:

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

\$ 6,051,766,000 <u>6,851,972,000</u>	.....	2014
\$ 6,370,640,000 <u>6,490,213,000</u>	.....	2015

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

The 2015 appropriation includes ~~\$823,040,000~~ \$589,097,000 for 2014 and ~~\$5,547,600,000~~ \$5,900,116,000 for 2015.

Sec. 24. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall change the term "location equity" to "local optional."

ARTICLE 16
EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2012, section 122A.40, subdivision 13, is amended to read:

Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph (b), a board may discharge a continuing-contract teacher, effective immediately, upon any of the following grounds:

- (1) immoral conduct, insubordination, or conviction of a felony;
- (2) conduct unbecoming a teacher which requires the immediate removal of the teacher from classroom or other duties;
- (3) failure without justifiable cause to teach without first securing the written release of the school board;
- (4) gross inefficiency which the teacher has failed to correct after reasonable written notice;
- (5) willful neglect of duty; or
- (6) continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement in accordance with subdivision 12.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13.

Prior to discharging a teacher under this paragraph, the board must notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ten days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. The board may suspend a teacher with pay pending the conclusion of the hearing and determination of the issues raised in the hearing after charges have been filed which constitute ground for discharge. If a teacher has been charged with a felony and the underlying conduct that is the subject of the felony charge is a ground for a proposed immediate discharge, the suspension pending the conclusion of the hearing and determination of the issues may be without pay. If a hearing under this paragraph is held, the board must reimburse the teacher for any salary or compensation withheld if the final decision of the board or the arbitrator does not result in a penalty to or suspension, termination, or discharge of the teacher.

(b) A board must discharge a continuing-contract teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must provide the Board of Teaching and the licensing division at the department with the necessary and relevant information to enable the Board of Teaching and the department's licensing division to fulfill their statutory and administrative duties related to issuing.

renewing, suspending, or revoking a teacher's license. Information received by the Board of Teaching or the licensing division at the department under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Board of Teaching and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph.

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

Sec. 2. Minnesota Statutes 2012, section 122A.41, subdivision 6, is amended to read:

Subd. 6. **Grounds for discharge or demotion.** (a) Except as otherwise provided in paragraph (b), causes for the discharge or demotion of a teacher either during or after the probationary period must be:

- (1) immoral character, conduct unbecoming a teacher, or insubordination;
- (2) failure without justifiable cause to teach without first securing the written release of the school board having the care, management, or control of the school in which the teacher is employed;
- (3) inefficiency in teaching or in the management of a school, consistent with subdivision 5, paragraph (b);
- (4) affliction with active tuberculosis or other communicable disease must be considered as cause for removal or suspension while the teacher is suffering from such disability; or
- (5) discontinuance of position or lack of pupils.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13.

(b) A probationary or continuing-contract teacher must be discharged immediately upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must provide the Board of Teaching and the licensing division at the department with the necessary and relevant information to enable the Board of Teaching and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Board of Teaching or the licensing division at the department under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Board of Teaching and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph.

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

Sec. 3. Minnesota Statutes 2012, section 122A.415, subdivision 1, is amended to read:

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

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

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

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

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals \$260 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district must be calculated under ~~section 126C.10, subdivision 3~~ subdivision 4, paragraphs (a) and (b).

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

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

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

Sec. 4. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 1, is amended to read:

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

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

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

Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 2, is amended to read:

Subd. 2. **Incentive revenue.** (a) An eligible school district's maximum incentive revenue equals \$10 per adjusted pupil unit. ~~In order to receive this revenue, a district must be~~ A district's incentive revenue equals the lesser of the maximum incentive revenue or the district's expenditures for implementing a voluntary plan to reduce racial and economic enrollment disparities through intradistrict and interdistrict activities that have been approved as a part of the district's achievement and integration plan under the budget approved by the commissioner under section 124D.861, subdivision 3, paragraph (c).

(b) Notwithstanding paragraph (a), a school district that has shown a measurable reduction in the achievement gap, as measured on assessments with statewide applicability receives the maximum incentive revenue of \$10 per adjusted pupil unit.

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

Sec. 6. Laws 2013, chapter 116, article 3, section 37, subdivision 11, is amended to read:

Subd. 11. **Concurrent enrollment program.** For concurrent enrollment programs under Minnesota Statutes, section 124D.091:

\$2,000,000	.....	2014
\$ 2,000,000 <u>3,897,000</u>	.....	2015

If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each district.

Any balance in the first year does not cancel but is available in the second year. The annual base budget for this program is \$2,000,000 for fiscal years 2016 and 2017.

Sec. 7. Laws 2013, chapter 116, article 3, section 37, subdivision 15, is amended to read:

Subd. 15. **Early childhood literacy programs.** For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

\$4,125,000	.....	2014
\$ 4,125,000 <u>4,625,000</u>	.....	2015

Up to \$4,125,000 ~~each in the first year and \$4,625,000 in the second year~~ is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota Reading Corps program established by ServeMinnesota, including costs associated with the training and teaching of early literacy skills to children age three to grade 3 and the evaluation of the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6. Up to \$500,000 in fiscal year 2015 must be used to support (1) the lowest performing schools identified by the Department of Education using measures of student proficiency and growth, a reduced achievement gap, and high school graduation rates, and (2) early childhood education programs serving low income children.

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

Sec. 8. **CAREER AND TECHNICAL EDUCATION PROGRAM INVENTORY.**

(a) The commissioner of education must consult with experts knowledgeable about secondary and postsecondary career and technical education programs to determine the content and status of particular career and technical education programs in Minnesota school districts, including cooperating districts under Minnesota Statutes, 123A.33, subdivision 2, integration districts, and postsecondary institutions partnering with school districts or offering courses through PSEO or career and technical programs and the rates of student participation and completion for these various programs, including: agriculture, food, and natural resources; architecture and construction; arts, audiovisual technology, and communications; business management and administration; computer science; family and consumer science; finance; health science; hospitality and tourism; human services; information technology; manufacturing; marketing; science, technology, engineering, and mathematics; and transportation, distribution, and logistics.

(b) To accomplish paragraph (a) and to understand the current role of local school districts and postsecondary institutions in providing career and technical education programs, the commissioner of education, in consultation with experts, also must examine the extent to which secondary and postsecondary education programs offer students a progression of coordinated, nonduplicative courses that adequately prepare students to successfully complete a career and technical education program.

(c) The commissioner of education must submit a report by February 1, 2015, to the education policy and finance committees of the legislature, consistent with this section, and include information about each district's dedicated equipment, resources, and relationships with postsecondary institutions and the local business community.

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

ARTICLE 17
SPECIAL EDUCATION

Section 1. Minnesota Statutes 2013 Supplement, section 125A.0942, is amended to read:

125A.0942 STANDARDS FOR RESTRICTIVE PROCEDURES.

Subdivision 1. **Restrictive procedures plan.** (a) Schools that intend to use restrictive procedures shall maintain and make publicly accessible in an electronic format on a school or district Web site or make a paper copy available upon request describing a restrictive procedures plan for children with disabilities that at least:

(1) lists the restrictive procedures the school intends to use;

(2) describes how the school will implement a range of positive behavior strategies and provide links to mental health services;

(3) describes how the school will provide training on de-escalation techniques, consistent with section 122A.09, subdivision 4, paragraph (k);

(4) describes how the school will monitor and review the use of restrictive procedures, including:

(i) conducting post-use debriefings, consistent with subdivision 3, paragraph (a), clause (5); and

(ii) convening an oversight committee to undertake a quarterly review of the use of restrictive procedures based on patterns or problems indicated by similarities in the time of day, day of the week, duration of the use of a procedure, the individuals involved, or other factors associated with the use of restrictive procedures; the number of

times a restrictive procedure is used schoolwide and for individual children; the number and types of injuries, if any, resulting from the use of restrictive procedures; whether restrictive procedures are used in nonemergency situations; the need for additional staff training; and proposed actions to minimize the use of restrictive procedures; and

~~(4)~~ (5) includes a written description and documentation of the training staff completed under subdivision 5.

(b) Schools annually must publicly identify oversight committee members who must at least include:

(1) a mental health professional, school psychologist, or school social worker;

(2) an expert in positive behavior strategies;

(3) a special education administrator; and

(4) a general education administrator.

Subd. 2. **Restrictive procedures.** (a) Restrictive procedures may be used only by a licensed special education teacher, school social worker, school psychologist, behavior analyst certified by the National Behavior Analyst Certification Board, a person with a master's degree in behavior analysis, other licensed education professional, paraprofessional under section 120B.363, or mental health professional under section 245.4871, subdivision 27, who has completed the training program under subdivision 5.

(b) A school shall make reasonable efforts to notify the parent on the same day a restrictive procedure is used on the child, or if the school is unable to provide same-day notice, notice is sent within two days by written or electronic means or as otherwise indicated by the child's parent under paragraph ~~(e)~~ (f).

(c) The district must hold a meeting of the individualized education program team, conduct or review a functional behavioral analysis, review data, consider developing additional or revised positive behavioral interventions and supports, consider actions to reduce the use of restrictive procedures, and modify the individualized education program or behavior intervention plan as appropriate. The district must hold the meeting: within ten calendar days after district staff use restrictive procedures on two separate school days within 30 calendar days or a pattern of use emerges and the child's individualized education program or behavior intervention plan does not provide for using restrictive procedures in an emergency; or at the request of a parent or the district after restrictive procedures are used. The district must review use of restrictive procedures at a child's annual individualized education program meeting when the child's individualized education program provides for using restrictive procedures in an emergency.

(d) If the individualized education program team under paragraph (c) determines that existing interventions and supports are ineffective in reducing the use of restrictive procedures or the district uses restrictive procedures on a child on ten or more school days during the same school year, the team, as appropriate, either must consult with other professionals working with the child; consult with experts in behavior analysis, mental health, communication, or autism; consult with culturally competent professionals; review existing evaluations, resources, and successful strategies; or consider whether to reevaluate the child.

(e) At the individualized education program meeting under paragraph (c), the team must review any known medical or psychological limitations, including any medical information the parent provides voluntarily, that contraindicate the use of a restrictive procedure, consider whether to prohibit that restrictive procedure, and document any prohibition in the individualized education program or behavior intervention plan.

(f) An individualized education program team may plan for using restrictive procedures and may include these procedures in a child's individualized education program or behavior intervention plan; however, the restrictive procedures may be used only in response to behavior that constitutes an emergency, consistent with this section. The individualized education program or behavior intervention plan shall indicate how the parent wants to be notified when a restrictive procedure is used.

Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be used only in an emergency. A school that uses physical holding or seclusion shall meet the following requirements:

- (1) physical holding or seclusion is the least intrusive intervention that effectively responds to the emergency;
- (2) physical holding or seclusion is not used to discipline a noncompliant child;
- (3) physical holding or seclusion ends when the threat of harm ends and the staff determines the child can safely return to the classroom or activity;
- (4) staff directly observes the child while physical holding or seclusion is being used;
- (5) each time physical holding or seclusion is used, the staff person who implements or oversees the physical holding or seclusion documents, as soon as possible after the incident concludes, the following information:
 - (i) a description of the incident that led to the physical holding or seclusion;
 - (ii) why a less restrictive measure failed or was determined by staff to be inappropriate or impractical;
 - (iii) the time the physical holding or seclusion began and the time the child was released; and
 - (iv) a brief record of the child's behavioral and physical status;
- (6) the room used for seclusion must:
 - (i) be at least six feet by five feet;
 - (ii) be well lit, well ventilated, adequately heated, and clean;
 - (iii) have a window that allows staff to directly observe a child in seclusion;
 - (iv) have tamperproof fixtures, electrical switches located immediately outside the door, and secure ceilings;
 - (v) have doors that open out and are unlocked, locked with keyless locks that have immediate release mechanisms, or locked with locks that have immediate release mechanisms connected with a fire and emergency system; and
 - (vi) not contain objects that a child may use to injure the child or others;
- (7) before using a room for seclusion, a school must:
 - (i) receive written notice from local authorities that the room and the locking mechanisms comply with applicable building, fire, and safety codes; and
 - (ii) register the room with the commissioner, who may view that room; and
- (8) until August 1, 2015, a school district may use prone restraints with children age five or older if:
 - (i) the district has provided to the department a list of staff who have had specific training on the use of prone restraints;

- (ii) the district provides information on the type of training that was provided and by whom;
- (iii) only staff who received specific training use prone restraints;
- (iv) each incident of the use of prone restraints is reported to the department within five working days on a form provided by the department; and
- (v) the district, before using prone restraints, must review any known medical or psychological limitations that contraindicate the use of prone restraints.

The department must collect data on districts' use of prone restraints and publish the data in a readily accessible format on the department's Web site on a quarterly basis.

(b) By ~~March 1, 2014~~ February 1, 2015, and annually thereafter, stakeholders must recommend to the commissioner specific and measurable implementation and outcome goals for reducing the use of restrictive procedures and the commissioner must submit to the legislature a report on districts' progress in reducing the use of restrictive procedures that recommends how to further reduce these procedures and eliminate the use of prone restraints. The statewide plan includes the following components: measurable goals; the resources, training, technical assistance, mental health services, and collaborative efforts needed to significantly reduce districts' use of prone restraints; and recommendations to clarify and improve the law governing districts' use of restrictive procedures. The commissioner must consult with interested stakeholders when preparing the report, including representatives of advocacy organizations, special education directors, teachers, paraprofessionals, intermediate school districts, school boards, day treatment providers, county social services, state human services department staff, mental health professionals, and autism experts. By June 30 each year, districts must report summary data on their use of restrictive procedures to the department, in a form and manner determined by the commissioner. The summary data must include information about the use of restrictive procedures, including use of reasonable force under section 121A.582.

Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:

- (1) engaging in conduct prohibited under section 121A.58;
- (2) requiring a child to assume and maintain a specified physical position, activity, or posture that induces physical pain;
- (3) totally or partially restricting a child's senses as punishment;
- (4) presenting an intense sound, light, or other sensory stimuli using smell, taste, substance, or spray as punishment;
- (5) denying or restricting a child's access to equipment and devices such as walkers, wheelchairs, hearing aids, and communication boards that facilitate the child's functioning, except when temporarily removing the equipment or device is needed to prevent injury to the child or others or serious damage to the equipment or device, in which case the equipment or device shall be returned to the child as soon as possible;
- (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or physical abuse under section 626.556;
- (7) withholding regularly scheduled meals or water;
- (8) denying access to bathroom facilities; and

(9) physical holding that restricts or impairs a child's ability to breathe, restricts or impairs a child's ability to communicate distress, places pressure or weight on a child's head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in straddling a child's torso.

Subd. 5. **Training for staff.** (a) To meet the requirements of subdivision 1, staff who use restrictive procedures, including paraprofessionals, shall complete training in the following skills and knowledge areas:

- (1) positive behavioral interventions;
- (2) communicative intent of behaviors;
- (3) relationship building;
- (4) alternatives to restrictive procedures, including techniques to identify events and environmental factors that may escalate behavior;
- (5) de-escalation methods;
- (6) standards for using restrictive procedures only in an emergency;
- (7) obtaining emergency medical assistance;
- (8) the physiological and psychological impact of physical holding and seclusion;
- (9) monitoring and responding to a child's physical signs of distress when physical holding is being used;
- (10) recognizing the symptoms of and interventions that may cause positional asphyxia when physical holding is used;
- (11) district policies and procedures for timely reporting and documenting each incident involving use of a restricted procedure; and
- (12) schoolwide programs on positive behavior strategies.

(b) The commissioner, after consulting with the commissioner of human services, must develop and maintain a list of training programs that satisfy the requirements of paragraph (a). The commissioner also must develop and maintain a list of experts to help individualized education program teams reduce the use of restrictive procedures. The district shall maintain records of staff who have been trained and the organization or professional that conducted the training. The district may collaborate with children's community mental health providers to coordinate trainings.

Subd. 6. **Behavior supports; reasonable force.** (a) School districts are encouraged to establish effective schoolwide systems of positive behavior interventions and supports.

(b) Nothing in this section or section 125A.0941 precludes the use of reasonable force under sections 121A.582; 609.06, subdivision 1; and 609.379. For the 2014-2015 school year and later, districts must collect and submit to the commissioner summary data, consistent with subdivision 3, paragraph (b), on district use of reasonable force that is consistent with the definition of physical holding or seclusion for a child with a disability under this section.

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

Sec. 2. Minnesota Statutes 2013 Supplement, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum equalization aid attributable to that pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the amount of special education aid for children with a disability under section 125A.76 received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal agent school district, the general education revenue and referendum equalization aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum equalization aid excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

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

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

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

Sec. 3. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 1, is amended to read:

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

(b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 126C.05, subdivision 1.

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

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

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

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

- (1) reimbursed with federal funds;
- (2) reimbursed with other state aids under this chapter;
- (3) for general education costs of serving students with a disability;
- (4) for facilities;
- (5) for pupil transportation; and
- (6) for postemployment benefits.

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

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

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

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

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

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

Sec. 4. Minnesota Statutes 2012, section 125A.76, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) \$450; plus

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

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

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

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

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

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

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

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

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

(1) \$450; plus

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

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

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

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

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

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

Sec. 7. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2c, is amended to read:

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

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

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

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

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

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

Sec. 8. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 1, is amended to read:

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

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

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

(2) for fiscal years 2014 and 2015, the sum of the special education aid under section 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education initial aid under section 125A.76, subdivision 2a; minus

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

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

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

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

(3) for fiscal year 2016 and later, the amount of general education revenue and referendum equalization aid for the prior fiscal year attributable to pupils receiving special instruction and services outside the regular classroom for more than 60 percent of the school day for the portion of time the pupils receive special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation.

(c) "General revenue" for a school district means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, ~~minus~~ transportation sparsity revenue ~~minus~~, local optional revenue, and total operating capital revenue. "General revenue" for a charter school means the sum of the general education revenue according to section 124D.11, subdivision 1, and transportation revenue according to section 124D.11, subdivision 2, excluding alternative teacher compensation revenue, ~~minus~~ referendum equalization aid ~~minus~~, transportation sparsity revenue minus, and operating capital revenue.

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

Sec. 9. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 5, is amended to read:

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

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

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

(3) zero.

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

Sec. 10. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 8, is amended to read:

Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive services under section 125A.76, subdivisions 1 and 2, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.155, the resident school district shall

~~submit the balance receive special education out-of-state tuition aid equal to the amount of the tuition bills, minus (1) the general education revenue, excluding basic skills revenue and the local optional levy attributable to the pupil, calculated using the resident district's average general education revenue per adjusted pupil unit, and (2) the referendum equalization aid attributable to the pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit minus, and (3) the special education contracted services initial revenue aid attributable to the pupil.~~

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

Sec. 11. Laws 2013, chapter 116, article 5, section 31, subdivision 8, is amended to read:

Subd. 8. **Special education paperwork cost savings.** (a) For the contract to customize a statewide online reporting system and effect special education paperwork cost savings:

\$1,763,000	2014
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For a transfer to MNIT. This appropriation is available in fiscal year 2015 ~~if not~~ and must be expended according to this subdivision for online due process reporting.

(b) To ensure a strong focus on outcomes for children with disabilities informs federal and state compliance and accountability requirements and to increase opportunities for special educators and related-services providers to focus on teaching children with disabilities, the commissioner must customize a streamlined, user-friendly statewide online system, with a single model online form, for effectively and efficiently collecting and reporting required special education-related data to individuals with a legitimate educational interest and who are authorized by law to access the data.

(c) The commissioner must consult with qualified experts, including information technology specialists, licensed special education teachers and directors of special education, related-services providers, third-party vendors, a designee of the commissioner of human services, parents of children with disabilities, representatives of advocacy groups representing children with disabilities, and representatives of school districts and special education cooperatives on integrating, field testing, customizing, and sustaining this simple, easily accessible, efficient, and effective online data system for uniform statewide reporting of required due process compliance data. Among other outcomes, the system must:

(1) reduce special education teachers' paperwork burden and thereby increase the teachers' opportunities to focus on teaching children;

(2) to the extent authorized by chapter 13 or other applicable state or federal law governing access to and dissemination of educational records, provide for efficiently and effectively transmitting the records of all transferring children with disabilities, including highly mobile and homeless children with disabilities, among others, and avoid fragmented service delivery;

(3) address language and other barriers and disparities that prevent parents from understanding and communicating information about the needs of their children with disabilities; and

(4) help continuously improve the interface among the online systems serving children with disabilities in order to maintain and reinforce the children's ability to learn.

(d) The commissioner must use the federal Office of Special Education Programs model forms for the (1) individualized education program, (2) notice of procedural safeguards, and (3) prior written notice that are consistent with Part B of IDEA to integrate and customize a state-sponsored universal special education online case

management system, consistent with the requirements of state law and this subdivision for customizing a statewide online reporting system. The commissioner must use a request for proposal process to contract for the technology and software needed for customizing the online system in order for the system to be fully functional, consistent with the requirements of this subdivision. This online system must be made available to school districts and charter schools without charge beginning in the 2015-2016 school year. All actions in which data in the system are entered, updated, accessed, or shared or disseminated outside of the system, must be recorded in a data audit trail. The audit trail must identify the user responsible for the action, and the date and time the action occurred. Data contained in the audit trail maintain the same classification as the underlying data that was affected by the action, and may be accessed by the responsible authority at any time for purposes of auditing the system's user activity and security safeguards.

(e) Consistent with this subdivision, the commissioner must establish a public Internet Web interface to provide information to educators, parents, and the public about the form and content of required special education reports, to respond to queries from educators, parents, and the public about specific aspects of special education reports and reporting, and to use the information garnered from the interface to streamline and revise special education reporting on the online system under this subdivision. The public Internet Web interface must not provide access to the educational records of any individual child.

(f) The commissioner annually by February 1 must submit to the legislature a report on the status, recent changes, and sustainability of the online system under this subdivision.

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

Sec. 12. **RULEMAKING AUTHORITY; SPECIAL EDUCATION TASK FORCE RECOMMENDATIONS.**

The commissioner of education must use the expedited rulemaking process under Minnesota Statutes, section 14.389, including subdivision 5, to make the specific rule changes recommended by the Special Education Case Load and Rule Alignment Task Force in its 2014 report entitled "Recommendations for Special Education Case Load and Rule Alignment" submitted to the legislature on February 15, 2014.

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

Sec. 13. **APPROPRIATION.**

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

Subd. 2. **Department assistance.** For the commissioner of education to assist school districts in meeting the needs of children who have experienced a high use of prone restraints, consistent with Minnesota Statutes 2013 Supplement, section 125A.0942:

<u>\$250,000</u>	<u>.....</u>	<u>2015</u>
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The commissioners of education and human services, or their designees, must discuss coordinating use of funds and personnel available for this purpose within their respective departments. This is a onetime appropriation.

ARTICLE 18
FACILITIES

Section 1. [123A.482] JOINT POWERS COOPERATIVE FACILITY.

Subdivision 1. **Schools may be jointly operated.** Two or more school districts may agree to jointly operate a secondary facility. The districts may choose to operate the facility according to a joint powers agreement under section 123A.78 or 471.59.

Subd. 2. **Expanded program offerings.** A jointly operated secondary program seeking funding under section 123A.485 must demonstrate to the commissioner's satisfaction that the jointly operated program provides enhanced learning opportunities and broader curriculum offerings to the students attending that program. The commissioner must approve or disapprove a cooperative secondary program within 60 days of receipt of an application.

Subd. 3. **Transfer of employees.** If an employee is transferred between two employer members of the joint powers agreement under this section, the employee's length of service under section 122A.40, subdivision 5, remains uninterrupted. The employee shall receive credit on the receiving district's salary schedule for the employee's educational attainment and years of continuous service in the sending district, or shall receive a comparable salary, whichever is greater. The employee shall receive credit for accrued sick leave and rights to severance benefits as if the employee had been employed by the receiving district during the employee's years of employment in the sending district.

Subd. 4. **Revenue.** An approved program that is jointly operated under this section is eligible for aid under section 123A.485 and qualifies for a facilities grant under sections 123A.44 to 123A.446.

Subd. 5. **Duty to maintain elementary and secondary schools met.** A school district operating a joint facility under this section meets the requirements of section 123A.64.

Subd. 6. **Estimated market value limit exclusion.** Bonds for a cooperative facility operated under this section issued by a member school district are not subject to the net debt limit under section 475.53, subdivision 4.

Subd. 7. **Allocation of levy authority for joint facility.** For purposes of determining each member district's school levy, a jointly operated secondary program may allocate program costs to each member district according to the joint powers agreement and each member district may include those costs in its tax levy. The joint powers agreement may choose to allocate costs on any basis adopted as part of the joint powers agreement.

Subd. 8. **Effect of consolidation.** The joint powers agreement may allow member school districts that choose to consolidate to continue to certify levies separately based on each component district's characteristics.

Subd. 9. **Bonds.** A joint powers district formed under this section may issue bonds according to section 123A.78 or its member districts may issue bonds individually after complying with this subdivision. The joint powers board must submit the project for review and comment under section 123B.71. The joint powers board must hold a hearing on the proposal. If the bonds are not issued under section 123A.78, each member district of the joint powers district must submit the question of authorizing borrowing of funds for the project to the voters of the district at a special election. The question submitted shall state the total amount of funding needed from that district. The member district may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question in that district vote in the affirmative and only after the board has adopted a resolution pledging the full faith and credit of that unit. The resolution must irrevocably commit that unit to pay an agreed-upon share of any debt levy shortages that, together with other funds available, would allow the member school board to pay the principal and interest on the obligations. The clerk of the joint powers board must certify the vote of any bond elections to the commissioner. Bonds issued under this section first qualify for debt service equalization aid in fiscal year 2018.

Subd. 10. Election. A district entering into a joint powers agreement under this section may conduct a referendum seeking approval for a new facility. This election may be held separately or at the same time as a bond election under subdivision 9. If the election is held at the same time, the questions may be asked separately or as a conjunctive question. The question must be approved by a majority of those voting on the question. If asked separately and the question fails, a district may not proceed with the sale of bonds according to subdivision 9.

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

Sec. 2. Minnesota Statutes 2012, section 123A.485, is amended to read:

123A.485 CONSOLIDATION TRANSITION REVENUE AID.

Subdivision 1. **Eligibility and use.** A district that operates a cooperative facility under section 123A.482 or that has been reorganized after June 30, 1994, under section 123A.48 is eligible for consolidation transition revenue. ~~Revenue is equal to the sum of aid under subdivision 2 and levy under subdivision 3.~~ Consolidation transition ~~revenue aid~~ aid may only be used according to this section. Revenue must be used for the following purposes and may be distributed among these purposes at the discretion of the district or the governing board of the cooperative facility:

- (1) to offer early retirement incentives as provided by section 123A.48, subdivision 23;
- (2) to reduce operating debt as defined in section 123B.82;
- (3) to enhance learning opportunities for students in the reorganized district; ~~and~~
- (4) to repay building debt; or
- (5) for other costs incurred in the reorganization.

Revenue received and utilized under clause (3) or ~~(4)~~ (5) may be expended for operating, facilities, and/or equipment.

Subd. 2. **Aid.** ~~(a) Consolidation transition aid is equal to \$200 \$300 times the number of resident adjusted pupil units in the newly created cooperative facility under section 123A.482 or the consolidated district in the year of consolidation and \$100 times the number of resident pupil units in the first year following the year of consolidation under section 123A.48. The number of pupil units used to calculate aid in either year shall not exceed 1,000 for districts consolidating July 1, 1994, and 1,500 for districts consolidating July 1, 1995, and thereafter. A district may receive aid under this section for not more than five years except as provided in subdivision 4.~~

~~(b) If the total appropriation for consolidation transition aid for any fiscal year, plus any amount transferred under section 127A.41, subdivision 8, is insufficient to pay all districts the full amount of aid earned, the department must first pay the districts in the first year following the year of consolidation the full amount of aid earned and distribute any remaining funds to the newly created districts in the first year of consolidation.~~

Subd. 3. **Levy.** If the aid available in subdivision 2 is insufficient to cover the costs of the district under section 123A.48, subdivision 23, the district may levy the difference over a period of time not to exceed three years.

Subd. 4. **New districts.** If a district enters into a cooperative secondary facilities program or consolidates with another district that has received aid under section 123A.39, subdivision 3, or 123A.485 for a combination or consolidation taking effect within six years of the effective date of the new consolidation or the start of the cooperative secondary facilities program, only the pupil units in the district or districts not previously cooperating or

reorganized must be counted for aid purposes under subdivision 2. If two or more districts consolidate and all districts received aid under subdivision 2 for a consolidation taking effect within six years of the effective date of the new consolidation, only one quarter of the pupil units in the newly created district must be used to determine aid under subdivision 2.

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2017 and later.

Sec. 3. Minnesota Statutes 2012, section 123A.64, is amended to read:

123A.64 DUTY TO MAINTAIN ELEMENTARY AND SECONDARY SCHOOLS.

Each district must maintain classified elementary and secondary schools, grades 1 through 12, unless the district is exempt according to section 123A.61 or 123A.62, has made an agreement with another district or districts as provided in sections 123A.30, 123A.32, or sections 123A.35 to 123A.43, or 123A.17, subdivision 7, ~~or~~ has received a grant under sections 123A.441 to 123A.446, or has formed a cooperative under section 123A.482. A district that has an agreement according to sections 123A.35 to 123A.43 or 123A.32 must operate a school with the number of grades required by those sections. A district that has an agreement according to section 123A.30 or 123A.17, subdivision 7, or has received a grant under sections 123A.441 to 123A.446 must operate a school for the grades not included in the agreement, but not fewer than three grades.

Sec. 4. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, lease purchase payments under section 126C.40, subdivision 2, alternative facilities levies under section 123B.59, subdivision 5, paragraph (a), minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 123B.61;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or Douglas J. Johnson economic protection trust;

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24; ~~and~~

(4) obligations under section 123B.62; and

(5) obligations equalized under section 123B.535.

(c) For purposes of this section, if a preexisting school district reorganized under sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt service equalization aid must be computed separately for each of the preexisting districts.

(d) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

EFFECTIVE DATE. This section is effective for fiscal year 2017 and later.

Sec. 5. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 5, is amended to read:

Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a district equals the sum of the first tier equalized debt service levy and the second tier equalized debt service levy.

(b) A district's first tier equalized debt service levy equals the district's first tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) ~~\$3,550~~ \$4,970.

(c) A district's second tier equalized debt service levy equals the district's second tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) ~~\$7,900~~ \$8,000.

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

Sec. 6. **[123B.535] NATURAL DISASTER DEBT SERVICE EQUALIZATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible natural disaster debt service revenue of a district is defined as the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district that would otherwise qualify under section 123B.53 under the following conditions:

(1) the district was impacted by a natural disaster event or area occurring January 1, 2005, or later, as declared by the President of the United States of America, which is eligible for Federal Emergency Management Agency payments;

(2) the natural disaster caused \$500,000 or more in damages to school district buildings; and

(3) the repair and replacement costs are not covered by insurance payments or Federal Emergency Management Agency payments.

(b) For purposes of this section, the adjusted net tax capacity equalizing factor equals the quotient derived by dividing the total adjusted net tax capacity of all school districts in the state for the year before the year the levy is certified by the total number of adjusted pupil units in the state for the year prior to the year the levy is certified.

(c) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

Subd. 2. **Notification.** A district eligible for natural disaster debt service equalization revenue under subdivision 1 must notify the commissioner of the amount of its intended natural disaster debt service revenue calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

Subd. 3. **Natural disaster debt service equalization revenue.** The debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue, minus the greater of zero or the difference between:

(1) the amount raised by a levy of ten percent times the adjusted net tax capacity of the district; and

(2) the district's eligible debt service revenue under section 123B.53.

Subd. 4. **Equalized natural disaster debt service levy.** A district's equalized natural disaster debt service levy equals the district's natural disaster debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) 300 percent of the statewide adjusted net tax capacity equalizing factor.

Subd. 5. **Natural disaster debt service equalization aid.** A district's natural disaster debt service equalization aid equals the difference between the district's natural disaster debt service equalization revenue and the district's equalized natural disaster debt service levy.

Subd. 6. **Natural disaster debt service equalization aid payment schedule.** Debt service equalization aid must be paid according to section 127A.45, subdivision 10.

EFFECTIVE DATE. This section is effective for taxes payable in 2016 and revenue for fiscal year 2017 and later.

Sec. 7. Minnesota Statutes 2013 Supplement, section 123B.54, is amended to read:

123B.54 DEBT SERVICE APPROPRIATION.

(a) The amount necessary to make debt service equalization aid payments under ~~section~~ sections 123B.53 and 123B.535 is annually appropriated from the general fund to the commissioner of education.

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

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2017 and later.

Sec. 8. Minnesota Statutes 2012, section 123B.57, subdivision 6, is amended to read:

Subd. 6. **Uses of health and safety revenue.** (a) Health and safety revenue may be used only for approved expenditures necessary for the correction of fire and life safety hazards; design, purchase, installation, maintenance, and inspection of fire protection and alarm equipment; purchase or construction of appropriate facilities for the

storage of combustible and flammable materials; inventories and facility modifications not related to a remodeling project to comply with lab safety requirements under section 121A.31; inspection, testing, repair, removal or encapsulation, and disposal of asbestos-containing building materials; cleanup and disposal of polychlorinated biphenyls; cleanup and disposal of hazardous and infectious wastes; cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01; correction of occupational safety and health administration regulated hazards; indoor air quality inspections, investigations, and testing; mold abatement; upgrades or replacement of mechanical ventilation systems to meet American Society of Heating, Refrigerating and Air Conditioning Engineers standards and State Mechanical Code; design, materials, and installation of local exhaust ventilation systems, including required make-up air for controlling regulated hazardous substances; correction of Department of Health Food Code violations; correction of swimming pool hazards excluding depth correction; playground safety inspections, repair of unsafe outdoor playground equipment, and the installation of impact surfacing materials; bleacher repair or rebuilding to comply with the order of a building code inspector under section 326B.112; testing and mitigation of elevated radon hazards; lead testing; copper in water testing; cleanup after major weather-related disasters or flooding; reduction of excessive organic and inorganic levels in wells and capping of abandoned wells; installation and testing of boiler backflow valves to prevent contamination of potable water; vaccinations, titers, and preventative supplies for bloodborne pathogen compliance; costs to comply with the Janet B. Johnson Parents' Right to Know Act; automated external defibrillators and other emergency plan equipment and supplies specific to the district's emergency action plan; compliance with the National Emission Standards for Hazardous Air Pollutants for school generators established by the United States Environmental Protection Agency; and health, safety, and environmental management costs associated with implementing the district's health and safety program including costs to establish and operate safety committees, in school buildings or property owned or being acquired by the district. Testing and calibration activities are permitted for existing mechanical ventilation systems at intervals no less than every five years.

(b) For fiscal years 2015 through 2017, a school district must not include expenses related to emission compliance projects for school generators in its health and safety revenue unless it reduces its approved spending on other qualified health and safety projects by the same amount.

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

Sec. 9. Minnesota Statutes 2012, section 123B.71, subdivision 8, is amended to read:

Subd. 8. **Review and comment.** A school district, a special education cooperative, or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not initiate an installment contract for purchase or a lease agreement, hold a referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of \$500,000 per school site if it has a capital loan outstanding, or ~~\$1,400,000~~ \$2,000,000 per school site if it does not have a capital loan outstanding, prior to review and comment by the commissioner. ~~The commissioner may exempt~~ A facility addition, maintenance project, or remodeling project funded only with general education aid ~~and levy revenue, deferred maintenance revenue, alternative facilities bonding and levy program revenue, lease levy proceeds, capital facilities bond proceeds, or health and safety revenue~~ is exempt from this provision ~~after reviewing a written request from a school district describing the scope of work.~~ A capital project under section 123B.63 addressing only technology is exempt from this provision if the district submits a school board resolution stating that funds approved by the voters will be used only as authorized in section 126C.10, subdivision 14. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Sec. 10. Minnesota Statutes 2012, section 123B.71, subdivision 9, is amended to read:

Subd. 9. **Information required.** A school board proposing to construct, expand, or remodel a facility ~~described~~ that requires a review and comment under subdivision 8 shall submit to the commissioner a proposal containing information including at least the following:

(1) the geographic area and population to be served, preschool through grade 12 student enrollments for the past five years, and student enrollment projections for the next five years;

(2) a list of existing facilities by year constructed, their uses, and an assessment of the extent to which alternate facilities are available within the school district boundaries and in adjacent school districts;

(3) a list of the specific deficiencies of the facility that demonstrate the need for a new or renovated facility to be provided, the process used to determine the deficiencies, a list of those deficiencies that will and will not be addressed by the proposed project, and a list of the specific benefits that the new or renovated facility will provide to the students, teachers, and community users served by the facility;

~~(4) the relationship of the project to any priorities established by the school district, educational cooperatives that provide support services, or other public bodies in the service area;~~

~~(5) a description of the pedestrian, bicycle, and transit connections between the school and nearby residential areas that make it easier for children, teachers, and parents to get to the school by walking, bicycling, and taking transit;~~

~~(6) a specification of how the project maximizes the opportunity for cooperative use of existing park, recreation, and other public facilities and whether and how the project will increase collaboration with other governmental or nonprofit entities;~~

(7) (4) a description of the project, including the specification of site and outdoor space acreage and square footage allocations for classrooms, laboratories, and support spaces; estimated expenditures for the major portions of the project; and the dates the project will begin and be completed;

(8) (5) a specification of the source of financing the project, including applicable statutory citations; the scheduled date for a bond issue or school board action; a schedule of payments, including debt service equalization aid; and the effect of a bond issue on local property taxes by the property class and valuation;

~~(9) an analysis of how the proposed new or remodeled facility will affect school district operational or administrative staffing costs, and how the district's operating budget will cover any increased operational or administrative staffing costs;~~

~~(10) a description of the consultation with local or state transportation officials on multimodal school site access and safety issues, and the ways that the project will address those issues;~~

~~(11) a description of how indoor air quality issues have been considered and a certification that the architects and engineers designing the facility will have professional liability insurance;~~

(12) as required under section 123B.72, for buildings coming into service after July 1, 2002, a certification that the plans and designs for the extensively renovated or new facility's heating, ventilation, and air conditioning systems will meet or exceed code standards; will provide for the monitoring of outdoor airflow and total airflow of ventilation systems; and will provide an indoor air quality filtration system that meets ASHRAE standard 52.1;

(13) a specification of any desegregation requirements that cannot be met by any other reasonable means;

(14) a specification of how the facility will utilize environmentally sustainable school facility design concepts;

~~(15) a description of how the architects and engineers have considered the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools of the maximum background noise level and reverberation times; and~~

~~(16) any existing information from the relevant local unit of government about the cumulative costs to provide infrastructure to serve the school, such as utilities, sewer, roads, and sidewalks.~~

(6) documents obligating the school district and contractors to comply with items (i) to (vii) in planning and executing the project:

(i) section 471.346 governing municipal contracts;

(ii) sustainable design;

(iii) school facility commissioning under section 123B.72 certifying the plans and designs for the heating, ventilating, air conditioning, and air filtration for an extensively renovated or new facility meet or exceed current code standards, including the ASHRAE air filtration standard 52.1;

(iv) American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools on maximum background noise level and reverberation times;

(v) State Fire Code;

(vi) chapter 326B governing building codes; and

(vii) consultation with affected government units about the impact of the project on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic, access to mass transit, and safe access for pedestrians and cyclists.

Sec. 11. Minnesota Statutes 2013 Supplement, section 126C.48, subdivision 8, is amended to read:

Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies pursuant to subdivision 1 must be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts that have revenue pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by 95 percent of the sum of the previous year's revenue specified under this clause and the amount attributable to the same production year distributed to the cities and townships within the school district under section 298.28, subdivision 2, paragraph (c).

(3) The amount of any voter approved referendum, facilities down payment, and debt levies shall not be reduced by more than 50 percent under this subdivision, except that payments under section 298.28, subdivision 7a, may reduce the debt service levy by more than 50 percent. In administering this paragraph, the commissioner shall first reduce the nonvoter approved levies of a district; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved referendum levies authorized under section 126C.17; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved facilities down payment levies authorized under section 123B.63 and then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved debt levies.

(4) Before computing the reduction pursuant to this subdivision of the health and safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner shall ascertain from each affected school district the amount it proposes to levy under each section or subdivision. The reduction shall be computed on the basis of the amount so ascertained.

(5) To the extent the levy reduction calculated under paragraph (2) exceeds the limitation in paragraph (3), an amount equal to the excess must be distributed from the school district's distribution under sections 298.225, 298.28, and 477A.15 in the following year to the cities and townships within the school district in the proportion that their taxable net tax capacity within the school district bears to the taxable net tax capacity of the school district for property taxes payable in the year prior to distribution. No city or township shall receive a distribution greater than its levy for taxes payable in the year prior to distribution. The commissioner of revenue shall certify the distributions of cities and towns under this paragraph to the county auditor by September 30 of the year preceding distribution. The county auditor shall reduce the proposed and final levies of cities and towns receiving distributions by the amount of their distribution. Distributions to the cities and towns shall be made at the times provided under section 298.27.

Sec. 12. Minnesota Statutes 2012, section 127A.49, subdivision 2, is amended to read:

Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86, 375.192, or otherwise, the net tax capacity or referendum market value of any district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 126C.46. The amount of the abatement adjustment must be the product of:

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

(2) the ratio of:

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

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

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

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

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

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

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

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

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

(I) section 123B.535, subdivision 4, if the district received natural disaster debt service equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

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

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

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

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

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2017 and later.

Sec. 13. Minnesota Statutes 2012, section 127A.49, subdivision 3, is amended to read:

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

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

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

(2) the ratio of:

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

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

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

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

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

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

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

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

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

(I) section 123B.535, subdivision 4, if the district received natural disaster debt service equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

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

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

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

(ii) the total amount of the district's certified levy for the fiscal year, plus or minus auditor's adjustments.

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

(1) the amount of the distribution of excess increment; and

(2) the amount subtracted from aid pursuant to clause (a).

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

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

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2017 and later.

Sec. 14. Laws 2013, chapter 116, article 6, section 12, subdivision 5, is amended to read:

Subd. 5. **Equity in telecommunications access.** For equity in telecommunications access:

\$3,750,000	.....	2014
\$ 3,750,000 <u>8,750,000</u>	.....	2015

If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2014 and 2015 shall be prorated.

Any balance in the first year does not cancel but is available in the second year. The base appropriation for this program for fiscal years 2016 and 2017 is \$8,750,000 for each year.

Sec. 15. **HARAMBEE COMMUNITY SCHOOL TRANSITION.**

Subdivision 1. **Facilities.** Notwithstanding the appropriations of state general obligation bond proceeds in Laws 1994, chapter 643, section 14, subdivision 7, to Joint Powers District No. 6067, East Metro Integration District, to acquire and better the Harambee community school, in Maplewood, the real and personal property of the Harambee school, may be conveyed to Independent School District No. 623, Roseville, for operation of a multidistrict integration facility that serves students in any grade from early education through grade 12.

Subd. 2. **Student enrollment.** A student enrolled in the Harambee community school during the 2013-2014 school year may continue to enroll in the Harambee community school in any subsequent year. For the 2014-2015 school year and later, other students may apply for enrollment under Minnesota Statutes, section 124D.03.

Subd. 3. **Compensatory revenue; literacy aid; alternative compensation revenue.** For the 2014-2015 school year only, the Department of Education must calculate compensatory revenue, literacy aid, and alternative compensation revenue for the Harambee community school based on the October 1, 2013, enrollment counts.

Subd. 4. **Year-round programming.** Harambee community school may operate as a flexible learning year program under Minnesota Statutes, sections 124D.12 to 124D.127.

Subd. 5. **Pupil transportation.** The board may transport pupils enrolled in the 2013-2014 school year to and from the Harambee community school in succeeding school years regardless of the students' districts of residence. Pupil transportation expenses under this section are reimbursable under Minnesota Statutes, section 124D.87.

Sec. 16. **LEASE LEVY; TRANSPORTATION HUB FOR ROSEMOUNT-APPLE VALLEY-EAGAN SCHOOL DISTRICT.**

Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, Independent School District No. 196, Rosemount-Apple Valley-Eagan, may lease a transportation hub under Minnesota Statutes, section 126C.40, subdivision 1. Levy authority under this section shall not exceed the total levy authority under Minnesota Statutes, section 126C.40, subdivision 1, paragraph (e).

EFFECTIVE DATE. This section is effective for taxes payable in 2015 and later.

Sec. 17. **REPEALER.**

Minnesota Statutes 2012, section 123B.71, subdivision 1, is repealed.

ARTICLE 19
NUTRITION

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

Subdivision 1. **School lunch aid computation.** Each school year, the state must pay participants in the national school lunch program the amount of 12.5 cents for each full paid, ~~reduced-price,~~ and free student lunch and 52.5 cents for each reduced-price lunch served to students.

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

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

Subd. 4. **No fees.** A participant that receives school lunch aid under this section must make lunch available without charge to all participating students who qualify for free or reduced-price meals. The participant must also ensure that any reminders for payment of outstanding student meal balances do not demean or stigmatize any child participating in the school lunch program.

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

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

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

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

ARTICLE 20
EARLY EDUCATION, COMMUNITY EDUCATION, SELF-SUFFICIENCY
AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2012, section 121A.19, is amended to read:

121A.19 DEVELOPMENTAL SCREENING AID.

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~\$75~~ \$80 for a child screened at age three; (2) ~~\$50~~ \$55 for a child screened at age four; (3) \$40 for a child screened at age five or six prior to kindergarten; and (4) \$30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2015 and later.

Sec. 2. Minnesota Statutes 2012, section 124D.16, subdivision 2, is amended to read:

Subd. 2. **Amount of aid.** (a) A district is eligible to receive school readiness aid for eligible prekindergarten pupils enrolled in a school readiness program under section 124D.15 if the biennial plan required by section 124D.15, subdivision 3a, has been approved by the commissioner.

(b) ~~For fiscal year 2002 and thereafter,~~ A district must receive school readiness aid equal to:

(1) the number of four-year-old children in the district on October 1 for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of four-year-old children reported to the commissioner for the previous school year; plus

(2) the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of pupils in the state from families eligible for the free or reduced school lunch program for the previous school year.

(c) For fiscal year 2015 and later, total school readiness aid equals \$11,000,000.

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2015 and later.

Sec. 3. Minnesota Statutes 2013 Supplement, section 124D.165, subdivision 5, is amended to read:

Subd. 5. **Report required.** The commissioner shall contract with an independent contractor to evaluate the early learning scholarship program. The evaluation must include recommendations regarding the appropriate scholarship amount, efficiency, and effectiveness of the administration, and impact on kindergarten readiness. By January 15, 2016, the commissioner shall submit a written copy of the evaluation to the chairs and ranking minority members of the legislative committees and divisions with primary jurisdiction over kindergarten through grade 12 education.

Sec. 4. Minnesota Statutes 2012, section 124D.522, is amended to read:

124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE GRANTS.

(a) The commissioner, in consultation with the policy review task force under section 124D.521, may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The commissioner may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services.

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

Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.531, subdivision 1, is amended to read:

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

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

(2) the lesser of:

(i) ~~1.025~~ 1.03; or

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

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

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

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

Sec. 6. Minnesota Statutes 2012, section 124D.531, subdivision 3, is amended to read:

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

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

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

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

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

Sec. 7. Laws 2013, chapter 116, article 8, section 5, subdivision 2, is amended to read:

Subd. 2. **School readiness.** For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

\$ 10,095,000 - <u>10,458,000</u>	.....	2014
\$ 10,159,000 - <u>10,909,000</u>	.....	2015

The 2014 appropriation includes \$1,372,000 for 2013 and ~~\$8,723,000~~ \$9,086,000 for 2014.

The 2015 appropriation includes ~~\$1,372,000~~ \$1,009,000 for 2014 and ~~\$8,787,000~~ \$9,900,000 for 2015.

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

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

\$3,421,000	.....	2014
\$ 3,344,000 <u>3,569,000</u>	.....	2015

The 2014 appropriation includes \$474,000 for 2013 and \$2,947,000 for 2014.

The 2015 appropriation includes \$463,000 for 2014 and ~~\$2,881,000~~ \$3,106,000 for 2015.

Sec. 9. Laws 2013, chapter 116, article 8, section 5, subdivision 14, is amended to read:

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

\$ 47,005,000 <u>48,782,000</u>	.....	2014
\$ 48,145,000 <u>48,415,000</u>	.....	2015

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

The 2015 appropriation includes ~~\$6,409,000~~ \$4,722,000 for 2014 and ~~\$41,736,000~~ \$43,693,000 for 2015.

Sec. 10. **APPROPRIATIONS.**

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

Subd. 2. **Northside Achievement Zone.** (a) For a grant to the Northside Achievement Zone:

<u>\$1,132,000</u>	<u>2015</u>
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(b) Funds appropriated in this subdivision are to reduce multigenerational poverty and the educational achievement gap through increased enrollment of families within the zone, and may be used for Northside Achievement Zone programming and services consistent with federal Promise Neighborhood program agreements and requirements.

(c) The Northside Achievement Zone shall submit a report by October 1, 2015, to the chairs of the legislative committees with jurisdiction over early childhood through grade 12 education policy and finance that, at a minimum, summarizes program activities, specifies performance measures, and analyzes program outcomes.

(d) The base appropriation for fiscal year 2016 is \$1,132,000. The base appropriation for fiscal year 2017 and later is \$291,000.

Subd. 3. **St. Paul Promise Neighborhood.** (a) For a grant to the St. Paul Promise Neighborhood:

<u>\$1,132,000</u>	<u>2015</u>
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(b) Funds appropriated in this subdivision are to reduce multigenerational poverty and the educational achievement gap through increased enrollment of families within the zone, and may be used for St. Paul Promise Neighborhood programming and services consistent with federal Promise Neighborhood program agreements and requirements.

(c) The St. Paul Promise Neighborhood shall submit a report by October 1, 2015, to the chairs of the legislative committees with jurisdiction over early childhood through grade 12 education policy and finance that, at a minimum, summarizes program activities, specifies performance measures, and analyzes program outcomes.

(d) The base appropriation for fiscal year 2016 is \$1,132,000. The base appropriation for fiscal year 2017 and later is \$291,000.

ARTICLE 21
STATE AGENCIES

Section 1. Laws 2013, chapter 116, article 9, section 1, subdivision 2, is amended to read:

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

\$20,058,000	.....	2014
\$ 19,308,000 <u>19,591,000</u>	.....	2015

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

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

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

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

(e) \$618,000 each year is for the Board of Teaching. Any balance in the first year does not cancel but is available in the second year.

(f) \$167,000 each year is for the Board of School Administrators. Any balance in the first year does not cancel but is available in the second year.

(g) \$25,000 each year is for innovation pilot grants under Laws 2012, chapter 263, section 1.

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

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

~~(j)~~ (j) \$250,000 each year is for the School Finance Division to enhance financial data analysis.

~~(k)~~ (k) \$750,000 in fiscal year 2014 only is for departmental costs associated with teacher development and evaluation. Any balance in the first year does not cancel and is available in the second year.

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

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

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

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

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

Sec. 3. **LOCAL ENRICHMENT GRANT PROGRAM.**

\$752,000 in fiscal year 2015 is appropriated from the general fund to the commissioner for local enrichment grants. The commissioner may award grants to nonprofit organizations to reduce both multigenerational poverty and the educational achievement gap within a school attendance area or local community. The programs may include direct outreach efforts, science, technology, engineering, and math education initiatives, and other programs designed to expand access to educational and enrichment opportunities. Grant applicants must apply to the department in the form and manner specified by the commissioner. To the extent possible, the commissioner must ensure that grants are need and merit-based and distributed proportionately among geographic regions of the state.

ARTICLE 22
FORECAST ADJUSTMENTS

A. GENERAL EDUCATION

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

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

	\$ 44,000 <u>37,000</u>	.....	2014
	\$ 48,000 <u>40,000</u>	.....	2015

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

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

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

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

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

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

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

\$ 472,000 <u>585,000</u>	.....	2014
\$ 480,000 <u>254,000</u>	.....	2015

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

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

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

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

\$ 15,582,000 <u>16,068,000</u>	.....	2014
\$ 16,169,000 <u>16,074,000</u>	.....	2015

The 2014 appropriation includes \$2,099,000 for 2013 and ~~\$13,483,000~~ \$13,969,000 for 2014.

The 2015 appropriation includes ~~\$2,122,000~~ \$1,552,000 for 2014 and ~~\$14,047,000~~ \$14,522,000 for 2015.

Sec. 5. Laws 2013, chapter 116, article 1, section 58, subdivision 7, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$ 18,565,000 <u>18,566,000</u>	.....	2014
\$ 18,946,000 <u>17,646,000</u>	.....	2015

The 2014 appropriation includes \$2,668,000 for 2013 and ~~\$15,897,000~~ \$15,898,000 for 2014.

The 2015 appropriation includes ~~\$2,502,000~~ \$1,766,000 for 2014 and ~~\$16,444,000~~ \$15,880,000 for 2015.

Sec. 6. Laws 2013, chapter 116, article 1, section 58, subdivision 11, is amended to read:

Subd. 11. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$ 4,320,000 <u>3,959,000</u>	.....	2014
\$ 5,680,000 <u>5,172,000</u>	.....	2015

The 2014 appropriation includes \$0 for 2014 and ~~\$4,320,000~~ \$3,959,000 for 2015.

The 2015 appropriation includes ~~\$680,000~~ \$439,000 for 2014 and ~~\$5,000,000~~ \$4,733,000 for 2015.

B. EDUCATION EXCELLENCE

Sec. 7. Laws 2013, chapter 116, article 3, section 37, subdivision 3, is amended to read:

Subd. 3. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$ 58,911,000 <u>55,609,000</u>	.....	2014
\$ 68,623,000 <u>62,692,000</u>	.....	2015

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

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

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

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

\$ 52,514,000 <u>50,998,000</u>	.....	2014
\$ 53,818,000 <u>47,458,000</u>	.....	2015

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

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

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

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

\$ 13,968,000 <u>13,521,000</u>	.....	2014
\$ 14,712,000 <u>14,248,000</u>	.....	2015

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

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

\$ 2,137,000 <u>2,214,000</u>	.....	2014
\$2,137,000	.....	2015

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

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

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

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

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

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

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

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

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

\$ 60,340,000 <u>71,599,000</u>	2015
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The 2015 appropriation includes \$0 for 2014 and ~~\$59,711,000~~ \$71,599,000 for 2015.

C. CHARTER SCHOOLS

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

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

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

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

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

D. SPECIAL PROGRAMS

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

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

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

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

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

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

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

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

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

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

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

\$ 345,000 <u>351,000</u>	.....	2014
\$ 355,000 <u>346,000</u>	.....	2015

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

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

E. FACILITIES AND TECHNOLOGY

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

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

\$ 463,000 <u>473,000</u>	.....	2014
\$ 434,000 <u>651,000</u>	.....	2015

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

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

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

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

\$ 19,083,000 <u>19,778,000</u>	.....	2014
\$ 25,060,000 <u>22,591,000</u>	.....	2015

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

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

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

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

\$ 19,287,000 <u>19,982,000</u>	.....	2014
\$19,287,000	.....	2015

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

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

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

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

\$ 3,564,000 <u>3,858,000</u>	.....	2014
\$ 3,730,000 <u>4,024,000</u>	.....	2015

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

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

F. NUTRITION AND LIBRARIES

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

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

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

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

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

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

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

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

\$ 13,570,000 <u>14,058,000</u>	.....	2014
\$ 13,570,000 <u>13,570,000</u>	.....	2015

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

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

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

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

\$ 1,300,000 <u>1,346,000</u>	.....	2014
\$1,300,000	.....	2015

The 2014 appropriation includes \$176,000 for 2013 and ~~\$1,124,000~~ \$1,170,000 for 2014.

The 2015 appropriation includes ~~\$176,000~~ \$130,000 for 2014 and ~~\$1,124,000~~ \$1,170,000 for 2015.

Sec. 25. Laws 2013, chapter 116, article 7, section 21, subdivision 9, is amended to read:

Subd. 9. **Regional library telecommunications aid.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

\$ 2,300,000 <u>2,382,000</u>	.....	2014
\$2,300,000	.....	2015

The 2014 appropriation includes \$312,000 for 2013 and ~~\$1,988,000~~ \$2,070,000 for 2014.

The 2015 appropriation includes ~~\$312,000~~ \$230,000 for 2014 and ~~\$1,988,000~~ \$2,070,000 for 2015.

G. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY, AND LIFELONG LEARNING

Sec. 26. Laws 2013, chapter 116, article 8, section 5, subdivision 3, is amended to read:

Subd. 3. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$ 22,078,000 <u>22,797,000</u>	.....	2014
\$ 22,425,000 <u>22,001,000</u>	.....	2015

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

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

Sec. 27. Laws 2013, chapter 116, article 8, section 5, subdivision 10, is amended to read:

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

\$ 935,000 <u>955,000</u>	.....	2014
\$ 1,056,000 <u>1,060,000</u>	.....	2015

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

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

Sec. 28. Laws 2013, chapter 116, article 8, section 5, subdivision 11, is amended to read:

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

\$ 710,000 <u>735,000</u>	.....	2014
\$710,000	.....	2015

The 2014 appropriation includes \$96,000 for 2013 and ~~\$614,000~~ \$639,000 for 2014.

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

HEALTH AND HUMAN SERVICES

ARTICLE 23
HEALTH DEPARTMENT

Section 1. Minnesota Statutes 2012, section 144.551, subdivision 1, is amended to read:

Subdivision 1. **Restricted construction or modification.** (a) The following construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and

(2) the establishment of a new hospital.

(b) This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held an approved certificate of need on May 1, 1984, regardless of the date of expiration of the certificate;

(3) a project for which a certificate of need was denied before July 1, 1990, if a timely appeal results in an order reversing the denial;

(4) a project exempted from certificate of need requirements by Laws 1981, chapter 200, section 2;

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to an existing licensed hospital that will allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a net increase in the number of hospital beds. Upon completion of the reconstruction, the licenses of both hospitals must be reinstated at the capacity that existed on each site before the relocation;

(7) the relocation or redistribution of hospital beds within a hospital building or identifiable complex of buildings provided the relocation or redistribution does not result in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from one physical site or complex to another; or (iii) redistribution of hospital beds within the state or a region of the state;

(8) relocation or redistribution of hospital beds within a hospital corporate system that involves the transfer of beds from a closed facility site or complex to an existing site or complex provided that: (i) no more than 50 percent of the capacity of the closed facility is transferred; (ii) the capacity of the site or complex to which the beds are transferred does not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or redistribution does not involve the construction of a new hospital building;

(9) a construction project involving up to 35 new beds in a psychiatric hospital in Rice County that primarily serves adolescents and that receives more than 70 percent of its patients from outside the state of Minnesota;

(10) a project to replace a hospital or hospitals with a combined licensed capacity of 130 beds or less if: (i) the new hospital site is located within five miles of the current site; and (ii) the total licensed capacity of the replacement hospital, either at the time of construction of the initial building or as the result of future expansion, will not exceed 70 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

(11) the relocation of licensed hospital beds from an existing state facility operated by the commissioner of human services to a new or existing facility, building, or complex operated by the commissioner of human services; from one regional treatment center site to another; or from one building or site to a new or existing building or site on the same campus;

(12) the construction or relocation of hospital beds operated by a hospital having a statutory obligation to provide hospital and medical services for the indigent that does not result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27 beds, of which 12 serve mental health needs, may be transferred from Hennepin County Medical Center to Regions Hospital under this clause;

(13) a construction project involving the addition of up to 31 new beds in an existing nonfederal hospital in Beltrami County;

(14) a construction project involving the addition of up to eight new beds in an existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

(15) a construction project involving the addition of 20 new hospital beds used for rehabilitation services in an existing hospital in Carver County serving the southwest suburban metropolitan area. Beds constructed under this clause shall not be eligible for reimbursement under medical assistance, general assistance medical care, or MinnesotaCare;

(16) a project for the construction or relocation of up to 20 hospital beds for the operation of up to two psychiatric facilities or units for children provided that the operation of the facilities or units have received the approval of the commissioner of human services;

(17) a project involving the addition of 14 new hospital beds to be used for rehabilitation services in an existing hospital in Itasca County;

(18) a project to add 20 licensed beds in existing space at a hospital in Hennepin County that closed 20 rehabilitation beds in 2002, provided that the beds are used only for rehabilitation in the hospital's current rehabilitation building. If the beds are used for another purpose or moved to another location, the hospital's licensed capacity is reduced by 20 beds;

(19) a critical access hospital established under section 144.1483, clause (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public Law 105-33, to the extent that the critical access hospital does not seek to exceed the maximum number of beds permitted such hospital under federal law;

(20) notwithstanding section 144.552, a project for the construction of a new hospital in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

(i) the project, including each hospital or health system that will own or control the entity that will hold the new hospital license, is approved by a resolution of the Maple Grove City Council as of March 1, 2006;

(ii) the entity that will hold the new hospital license will be owned or controlled by one or more not-for-profit hospitals or health systems that have previously submitted a plan or plans for a project in Maple Grove as required under section 144.552, and the plan or plans have been found to be in the public interest by the commissioner of health as of April 1, 2005;

(iii) the new hospital's initial inpatient services must include, but are not limited to, medical and surgical services, obstetrical and gynecological services, intensive care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics, behavioral health services, and emergency room services;

(iv) the new hospital:

(A) will have the ability to provide and staff sufficient new beds to meet the growing needs of the Maple Grove service area and the surrounding communities currently being served by the hospital or health system that will own or control the entity that will hold the new hospital license;

(B) will provide uncompensated care;

(C) will provide mental health services, including inpatient beds;

(D) will be a site for workforce development for a broad spectrum of health-care-related occupations and have a commitment to providing clinical training programs for physicians and other health care providers;

(E) will demonstrate a commitment to quality care and patient safety;

(F) will have an electronic medical records system, including physician order entry;

(G) will provide a broad range of senior services;

(H) will provide emergency medical services that will coordinate care with regional providers of trauma services and licensed emergency ambulance services in order to enhance the continuity of care for emergency medical patients; and

(I) will be completed by December 31, 2009, unless delayed by circumstances beyond the control of the entity holding the new hospital license; and

(v) as of 30 days following submission of a written plan, the commissioner of health has not determined that the hospitals or health systems that will own or control the entity that will hold the new hospital license are unable to meet the criteria of this clause;

(21) a project approved under section 144.553;

(22) a project for the construction of a hospital with up to 25 beds in Cass County within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's license holder is approved by the Cass County Board;

(23) a project for an acute care hospital in Fergus Falls that will increase the bed capacity from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16 and closing a separately licensed 13-bed skilled nursing facility; ~~or~~

(24) notwithstanding section 144.552, a project for the construction and expansion of a specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for patients who are under 21 years of age on the date of admission. The commissioner conducted a public interest review of the mental health needs of Minnesota and the Twin Cities metropolitan area in 2008. No further public interest review shall be conducted for the construction or expansion project under this clause; or

(25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete.

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

Sec. 2. **[144.9513] HEALTHY HOUSING GRANTS.**

Subdivision 1. Definitions. For purposes of this section and sections 144.9501 to 144.9512, the following terms have the meanings given.

(a) "Housing" means a room or group of rooms located within a dwelling forming a single habitable unit with facilities used or intended to be used for living, sleeping, cooking, and eating.

(b) "Healthy housing" means housing that is sited, designed, built, renovated, and maintained in ways that supports the health of residents.

(c) "Housing-based health threat" means a chemical, biologic, or physical agent in the immediate housing environment which constitutes a potential or actual hazard to human health at acute or chronic exposure levels.

(d) "Primary prevention" means preventing exposure to housing-based health threats before seeing clinical symptoms or a diagnosis.

Subd. 2. Grants; administration. Grant applicants shall submit applications to the commissioner as directed by a request for proposals. Grants must be competitively awarded and recipients of a grant under this section must prepare and submit a quarterly progress report to the commissioner beginning three months after receipt of the grant. The commissioner shall provide technical assistance and program support as needed to ensure that housing-based health threats are effectively identified, mitigated, and evaluated by grantees.

Subd. 3. Education and training grant; eligible activities. (a) Within the limits of available appropriations, the commissioner shall make grants to nonprofit organizations, community health boards, and community action agencies under section 256E.31 with expertise in providing outreach, education, and training on healthy homes subjects and in providing comprehensive healthy homes assessments and interventions to provide healthy housing education, training, and technical assistance services for persons engaged in addressing housing-based health threats and other individuals impacted by housing-based health threats.

(b) The grantee may conduct the following activities:

(1) implement and maintain primary prevention programs to reduce housing-based health threats that include the following:

(i) providing education materials to the general public and to property owners, contractors, code officials, health care providers, public health professionals, health educators, nonprofit organizations, and other persons and organizations engaged in housing and health issues;

(ii) promoting awareness of community, legal, and housing resources; and

(iii) promoting the use of hazard reduction measures in new housing construction and housing rehabilitation programs;

(2) provide training on identifying and addressing housing-based health threats;

- (3) provide technical assistance on the implementation of mitigation measures;
- (4) promote adoption of evidence-based best practices for mitigation of housing-based health threats; or
- (5) develop work practices for addressing specific housing-based health threats.

Sec. 3. **[144A.484] INTEGRATED LICENSURE; HOME AND COMMUNITY-BASED SERVICES DESIGNATION.**

Subdivision 1. **Integrated licensing established.** (a) From January 1, 2014, to June 30, 2015, the commissioner of health shall enforce the home and community-based services standards under chapter 245D for those providers who also have a home care license pursuant to chapter 144A as required under Laws 2013, chapter 108, article 11, section 31, and article 8, section 60. During this period, the commissioner shall provide technical assistance on how to achieve and maintain compliance with applicable law or rules governing the provision of home and community-based services, including complying with the service recipient rights notice in subdivision 4, clause (4). If, during the survey, the commissioner finds that the licensee has failed to achieve compliance with an applicable law or rule under chapter 245D and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a licensing survey report with recommendations for achieving and maintaining compliance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 6. Appeals. A home care provider applicant that has been denied a temporary license will also be denied their application for the home and community-based services designation. The applicant may request reconsideration in accordance with section 144A.473, subdivision 3. A licensed home care provider whose application for a home and community-based services designation has been denied or whose designation has been suspended or revoked may appeal the denial, suspension, revocation, or refusal to renew a home and community-based services designation in accordance with section 144A.475. A license holder may request reconsideration of a correction order in accordance with section 144A.474, subdivision 12.

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

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

<u>Provider Annual Revenue from HCBS</u>	<u>HCBS Designation</u>
<u>greater than \$1,500,000</u>	<u>\$320</u>
<u>greater than \$1,275,000 and no more than \$1,500,000</u>	<u>\$300</u>
<u>greater than \$1,100,000 and no more than \$1,275,000</u>	<u>\$280</u>
<u>greater than \$950,000 and no more than \$1,100,000</u>	<u>\$260</u>
<u>greater than \$850,000 and no more than \$950,000</u>	<u>\$240</u>
<u>greater than \$750,000 and no more than \$850,000</u>	<u>\$220</u>
<u>greater than \$650,000 and no more than \$750,000</u>	<u>\$200</u>
<u>greater than \$550,000 and no more than \$650,000</u>	<u>\$180</u>

<u>greater than \$450,000 and no more than \$550,000</u>	<u>\$160</u>
<u>greater than \$350,000 and no more than \$450,000</u>	<u>\$140</u>
<u>greater than \$250,000 and no more than \$350,000</u>	<u>\$120</u>
<u>greater than \$100,000 and no more than \$250,000</u>	<u>\$100</u>
<u>greater than \$50,000 and no more than \$100,000</u>	<u>\$80</u>
<u>greater than \$25,000 and no more than \$50,000</u>	<u>\$60</u>
<u>no more than \$25,000</u>	<u>\$40</u>

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

Subd. 9. **Study and report about client bill of rights.** The commissioner shall consult with Aging Services of Minnesota, Care Providers of Minnesota, Minnesota Home Care Association, Department of Human Services, the Ombudsman for Long-Term Care, and other stakeholders to review how to streamline the client bill of rights requirements in sections 144A.44, 144A.441, and 245D.04 for providers whose practices fit into one or several of these practice areas, while assuring and maintaining the health and safety of clients. The evaluation shall consider the federal client bill of rights requirements for Medicare-certified home care providers. The evaluation must determine whether there are duplications or conflicts of client rights, evaluate how to reduce the complexity of the client bill of rights requirements for providers and consumers, determine which of the rights must be included in a client bill of rights document, and evaluate whether there are other ways to ensure that consumers know their rights. The commissioner shall report to the chairs of the health and human services committees of the legislature no later than February 15, 2015, along with any recommendations for legislative changes.

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

Sec. 4. Minnesota Statutes 2013 Supplement, section 145.4716, subdivision 2, is amended to read:

Subd. 2. **Duties of director.** The director of child sex trafficking prevention is responsible for the following:

(1) developing and providing comprehensive training on sexual exploitation of youth for social service professionals, medical professionals, public health workers, and criminal justice professionals;

(2) collecting, organizing, maintaining, and disseminating information on sexual exploitation and services across the state, including maintaining a list of resources on the Department of Health Web site;

(3) monitoring and applying for federal funding for antitrafficking efforts that may benefit victims in the state;

(4) managing grant programs established under sections 145.4716 to 145.4718;

(5) managing the request for proposals for grants for comprehensive services, including trauma-informed, culturally specific services;

(6) identifying best practices in serving sexually exploited youth, as defined in section 260C.007, subdivision 31;

~~(7)~~ (7) providing oversight of and technical support to regional navigators pursuant to section 145.4717;

~~(8)~~ (8) conducting a comprehensive evaluation of the statewide program for safe harbor of sexually exploited youth; and

~~(8)~~ (9) developing a policy consistent with the requirements of chapter 13 for sharing data related to sexually exploited youth, as defined in section 260C.007, subdivision 31, among regional navigators and community-based advocates.

Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** (a) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high-risk," the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period. The withholding for each provider must begin on the date of the first submission of a claim.

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

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

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

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

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

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

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

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

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

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

(e) As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated "moderate" or "high-risk" by the Centers for Medicare and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid Services, its agents, or its designated contractors and the state agency, its agents,

or its designated contractors to conduct unannounced on-site inspections of any provider location. The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of provider types designated "limited," "moderate," or "high-risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.

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

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

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

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

Sec. 6. **LEGISLATIVE HEALTH CARE WORKFORCE COMMISSION.**

Subdivision 1. **Legislative oversight.** The Legislative Health Care Workforce Commission is created to study and make recommendations to the legislature on how to achieve the goal of strengthening the workforce in healthcare.

Subd. 2. **Membership.** The Legislative Health Care Workforce Commission consists of five members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration and five members of the house of representatives appointed by the speaker of the house. The Legislative Health Care Workforce Commission must include three members of the majority party and two members of the minority party in each house.

Subd. 3. **Report to the legislature.** The Legislative Health Care Workforce Commission must provide a report making recommendations to the legislature by December 31, 2014. The report must:

(1) identify current and anticipated health care workforce shortages, by both provider type and geography;

(2) evaluate the effectiveness of incentives currently available to develop, attract, and retain a highly skilled health care workforce;

(3) study alternative incentives to develop, attract, and retain a highly skilled and diverse health care workforce; and

(4) identify current causes and potential solutions to barriers related to the primary care workforce, including, but not limited to:

(i) training and residency shortages;

(ii) disparities in income between primary care and other providers; and

(iii) negative perceptions of primary care among students.

Subd. 4. **Assistance to the commission.** The commissioners of health, human services, commerce, and other state agencies shall provide assistance and technical support to the commission at the request of the commission. The commission may convene subcommittees to provide additional assistance and advice to the commission.

Subd. 5. **Expiration.** The Legislative Health Care Workforce Commission expires on January 1, 2015.

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

Sec. 7. **GRANT PROGRAMS TO ADDRESS MINORITY HEALTH DISPARITIES.**

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

(b) "Dementia" means a condition ascribed within the brain that leads to confusion, lack of focus, and decreased memory.

(c) "Education activities" means providing materials related to health care topics in ethnic-specific languages through materials including, but not limited to, Web sites, brochures, flyers, and other similar vehicles.

(d) "Minority populations" means racial and ethnic groups including, but not limited to, African-Americans, Native Americans, Hmong, Asians, and other similar groups.

(e) "Outreach" means the active pursuit of people within the minority groups through specific and targeted activities to contact individuals who may not regularly be contacted by health care professionals.

Subd. 2. **Grants; distribution.** The commissioner of health shall distribute grant funds to grantees for the following purposes:

(1) dementia education and training to specific minority and under-represented groups;

(2) a training conference related to immigrant and refugee mental health issues; and

(3) other programs, as prioritized by the commissioner, relating to health disparities in minority populations, including, but not limited to, a Somali women-led prevention health care agency located in Minnesota focused on minority women's health disparities.

Subd. 3. **Grants; administration.** Grant applicants shall submit applications to the commissioner of health as directed by a request for proposals. Grants must be competitively awarded and recipients of a grant under this section must prepare and submit a quarterly progress report to the commissioner beginning three months after receipt of the grant. The commissioner shall provide technical assistance and program support as needed, including, but not limited to, assurance that minority individuals with dementia are effectively identified, mitigated, and evaluated by grantees.

Subd. 4. **Dementia education and training grant; eligible activities for dementia outreach.** (a) Within the limits of available appropriations, the commissioner shall make a grant to a nonprofit organization with expertise in providing outreach, education, and training on dementia, Alzheimer's, and other related disabilities within specific minority and under-represented groups.

(b) The grantee must conduct the following activities:

(1) providing and making available educational materials to the general public as well as specific minority populations;

(2) promoting awareness of dementia-related resources and educational materials; and

(3) promoting the use of materials within health care organizations.

Sec. 8. **FULL-TIME EMPLOYEE RESTRICTION.**

No more than one full-time employee may be hired by the Department of Health to administer the grants under Minnesota Statutes, section 144.9513.

ARTICLE 24 HEALTH CARE

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 2. **Diagnostic categories.** The commissioner shall use to the extent possible existing diagnostic classification systems, ~~including such as the system used by the Medicare program~~ all patient refined diagnosis-related groups (APR-DRGs) or other similar classification programs to determine the relative values of inpatient services and case mix indices. The commissioner may combine diagnostic classifications into diagnostic categories and may establish separate categories and numbers of categories based on ~~program eligibility~~ or hospital peer group. Relative values shall be ~~recalculated~~ recalibrated when the base year is changed. Relative value determinations shall include paid claims for admissions during each hospital's base year. The commissioner may ~~extend the time period forward to obtain sufficiently valid information to establish relative values~~ supplement the diagnostic classification systems data with national averages. Relative value determinations shall not include ~~property cost data~~, Medicare crossover data, and data on admissions that are paid a per day transfer rate under subdivision 14. The computation of the base year cost per admission must include identified outlier cases and their weighted costs up to the point that they become outlier cases, but must exclude costs recognized in outlier payments beyond that point. The commissioner may recategorize the diagnostic classifications and ~~recalculate~~ recalibrate relative values and case mix indices to reflect actual hospital practices, the specific character of specialty hospitals, or to reduce variances within the diagnostic categories after notice in the State Register and a 30-day comment period. ~~The commissioner shall recategorize the diagnostic classifications and recalculate relative values and case mix indices based on the two-year schedule in effect prior to January 1, 2013, reflected in subdivision 2b. The first recategorization shall occur January 1, 2013, and shall occur every two years after. When rates are not rebased under subdivision 2b, the commissioner may establish relative values and case mix indices based on charge data and may update the base year to the most recent data available.~~

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

Subd. 2b. **Operating Hospital payment rates.** (a) For discharges occurring on and after September 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according to the following:

(1) critical access hospitals as defined by Medicare shall be paid using a cost-based methodology;

(2) long-term care hospitals as defined by Medicare shall be paid on a per diem methodology under subdivision 25;

(3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation distinct parts as defined by Medicare shall be paid according to the methodology under subdivision 12; and

(4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

~~(b) In determining operating payment rates for admissions occurring on or after the rate year beginning January 1, 1991, and every two years after, or more frequently as determined by the commissioner, the commissioner shall obtain operating data from an updated base year and establish operating payment rates per admission for each hospital based on the cost finding methods and allowable costs of the Medicare program in effect during the base year. Rates under the general assistance medical care, medical assistance, and MinnesotaCare programs shall not be rebased to more current data on January 1, 1997, January 1, 2005, for the first 24 months of the rebased period beginning January 1, 2009. For the rebased period beginning January 1, 2011, through August 31, 2014, rates shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For subsequent rate setting periods after September 1, 2014, in which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals. Effective January 1, 2013, and after, rates shall not be rebased.~~

(c) Effective for discharges occurring on and after September 1, 2014, payment rates for hospital inpatient services provided by hospitals located in Minnesota or the local trade area, except those hospitals paid under the methodologies under paragraph (a), clauses (2) and (3), shall be rebased incorporating cost and payment methodologies in a manner similar to Medicare. The base year for the rates effective September 1, 2014, shall be state fiscal year 2012. The rebasing must be budget neutral, ensuring that the total aggregate payments under the rebased system are equal to the total aggregate payments made for the same number and types of services in the base year. Separate budget neutrality calculations shall be determined for payments made to critical access hospitals and payments made to hospitals paid under the DRG system. Any rate increases or decreases under subdivision 3a that applied to the hospitals being rebased during the base period shall be incorporated into the budget neutrality calculation. Any rate increases or decreases that did not apply to the base period shall not be considered in the budget neutrality calculation.

(d) For discharges occurring September 1, 2014, through and including June 30, 2016, the rebased rates shall include necessary adjustments to the projected rates that result in no greater than a one percent increase or decrease from the base year payments for any hospital. In addition to such adjustments, the commissioner may make adjustments to rates and must consider the impact of changes on at least the following when evaluating whether additional adjustments should be made:

(1) pediatric services;

(2) behavioral health services;

(3) trauma services as defined by the National Uniform Billing Committee;

(4) transplant services;

(5) obstetric services, newborn services, and behavioral health services provided by hospitals outside the seven-county metropolitan area;

(6) outlier admissions;

(7) low volume providers; and

(8) services provided by small rural hospitals that are not critical access hospitals.

(e) Hospital payment rates established under paragraph (c) shall incorporate the following:

(1) for hospitals paid under the DRG methodology, the base year ~~operating~~ payment rate per admission is standardized by the ~~case mix index and adjusted by the hospital cost index, relative values, and disproportionate population adjustment.~~ applicable Medicare wage index and adjusted by the hospital's disproportionate population adjustment;

(2) for critical access hospitals, interim per diem payment rates shall be based on the ratio of cost and charges reported on the base year Medicare cost report or reports and applied to medical assistance utilization data. Final settlement payments for a state fiscal year will be determined based on a review of the Medicaid cost report for the applicable state fiscal year;

(3) the cost and charge data used to establish ~~operating~~ hospital payment rates shall only reflect inpatient services covered by medical assistance ~~and shall not include property cost information and costs recognized in outlier payments;~~ and

(4) in determining hospital payment rates for discharges occurring on or after the rate year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per discharge must be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years.

Sec. 8. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision to read:

Subd. 2d. **Budget neutrality factor.** For the rebased period effective September 1, 2014, when rebasing rates under subdivision 2b, paragraph (c), the commissioner must apply a budget neutrality factor if applicable to all hospitals' rebased rates to ensure that total DRG and critical access hospital payments to hospitals do not exceed total DRG and critical access hospital payments that would have been made to hospitals for the same number and types of services if the relative rates and weights had not been recalibrated and cost-based payments for critical access hospitals had not been established. For the purposes of this section, budget neutrality factor equals the percentage change from total aggregate payments calculated under a new payment system to total aggregate payments calculated under the old system for the same number and types of services.

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

Subd. 2e. **Interim payments.** Notwithstanding subdivision 2b, for discharges occurring on or after September 1, 2014, and no later than June 30, 2015, the commissioner may implement an interim payment process to pay hospitals, including payments based on each hospital's average payments per claim for state fiscal years 2011 and 2012. These interim payments may be used to pay hospitals if the new payment system and rebasing under subdivision 2b is not complete by September 1, 2014. Claims paid at interim payment rates shall be reprocessed and paid at the rates established under the new system upon implementation of the new system.

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

Subd. 2f. **Report required.** (a) The commissioner shall annually report to the legislature beginning March 1, 2015, and ending March 1, 2016, on the financial impacts by hospital and policy ramifications, if any, resulting from payment methodology changes implemented after August 31, 2014, and before December 31, 2015.

(b) The commissioner shall provide, at a minimum, the following information:

(1) case-mix adjusted calculations of net payment impacts for each hospital resulting from the difference between the payments each hospital would have received under the payment methodology for discharges before August 31, 2014, and the payments each hospital has or is expected to receive for the same number and types of services under the payment methodology implemented effective September 1, 2014;

(2) any adjustments authorized under subdivision 2b, paragraph (d), that were made and the impacts of those adjustments; and

(3) recommendations for further refinement or improvement of the hospital inpatient payment system or methodologies.

Sec. 11. Minnesota Statutes 2012, section 256.969, subdivision 3a, is amended to read:

Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical assistance program must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments for inpatient hospitals that have individual patient lengths of stay over 30 days regardless of diagnostic category. Except as provided in section 256.9693, medical assistance reimbursement for treatment of mental illness shall be reimbursed based on diagnostic classifications. Individual hospital payments established under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third-party and recipient liability, for discharges occurring during the rate year shall not exceed, in aggregate, the charges for the medical assistance covered inpatient services paid for the same period of time to the hospital. ~~This payment limitation shall be calculated separately for medical assistance and general assistance medical care services. The limitation on general assistance medical care shall be effective for admissions occurring on or after July 1, 1991.~~ Services that have rates established under subdivision 44 ~~or~~ 12, must be limited separately from other services. After consulting with the affected hospitals, the commissioner may consider related hospitals one entity and may merge the payment rates while maintaining separate provider numbers. The operating and property base rates per admission or per day shall be derived from the best Medicare and claims data available when rates are established. The commissioner shall determine the best Medicare and claims data, taking into consideration variables of recency of the data, audit disposition, settlement status, and the ability to set rates in a timely manner. The commissioner shall notify hospitals of payment rates ~~by December 1 of the year preceding the rate year~~ 30 days prior to implementation. The rate setting data must reflect the admissions data used to establish relative values. ~~Base year changes from 1981 to the base year established for the rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase under subdivision 1.~~ The commissioner may adjust base year cost, relative value, and case mix index data to exclude the costs of services that have been discontinued by the October 1 of the year preceding the rate year or that are paid separately from inpatient services. Inpatient stays that encompass portions of two or more rate years shall have payments established based on payment rates in effect at the time of admission unless the date of admission preceded the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

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

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

(d) In addition to the reduction in paragraphs (b) and (c), the total payment for fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 6.0 percent from the current statutory rates. Mental health services within diagnosis related

groups 424 to 432 or corresponding APR-DRGs and facilities defined under subdivision 16 are excluded from this paragraph. ~~Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical assistance does not include general assistance medical care.~~ Payments made to managed care plans shall be reduced for services provided on or after January 1, 2006, to reflect this reduction.

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

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

(g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.79 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 or corresponding APR-DRGs and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2011, to reflect this reduction.

(h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total payment for fee-for-service admissions occurring on or after July 1, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced one percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after October 1, 2009, to reflect this reduction.

(i) In addition to the reductions in paragraphs (b), (c), (d), (g), and (h), the total payment for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.96 percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2011, to reflect this reduction.

(j) Effective for discharges on and after September 1, 2014, from hospitals paid under subdivision 2b, paragraph (a), clauses (1) and (4), the rate adjustments in this subdivision shall be incorporated into the rebased rates established under subdivision 2b, paragraph (c), and shall not be applied to each claim.

Sec. 12. Minnesota Statutes 2012, section 256.969, subdivision 3b, is amended to read:

Subd. 3b. **Nonpayment for hospital-acquired conditions and for certain treatments.** (a) The commissioner must not make medical assistance payments to a hospital for any costs of care that result from a condition ~~listed~~ identified in paragraph (c), if the condition was hospital acquired.

(b) For purposes of this subdivision, a condition is hospital acquired if it is not identified by the hospital as present on admission. For purposes of this subdivision, medical assistance includes ~~general assistance medical care~~ and MinnesotaCare.

(c) The prohibition in paragraph (a) applies to payment for each hospital-acquired condition ~~listed~~ identified in this paragraph that is represented by an ICD-9-CM or ICD-10-CM diagnosis code ~~and is designated as a complicating condition or a major complicating condition.~~ The list of conditions shall be the hospital-acquired conditions list defined by the Centers for Medicare and Medicaid Services on an annual basis.

- (1) ~~foreign object retained after surgery (ICD 9 CM codes 998.4 or 998.7);~~
- (2) ~~air embolism (ICD 9 CM code 999.1);~~
- (3) ~~blood incompatibility (ICD 9 CM code 999.6);~~
- (4) ~~pressure ulcers stage III or IV (ICD 9 CM codes 707.23 or 707.24);~~
- (5) ~~falls and trauma, including fracture, dislocation, intracranial injury, crushing injury, burn, and electric shock (ICD 9 CM codes with these ranges on the complicating condition and major complicating condition list: 800-829; 830-839; 850-854; 925-929; 940-949; and 991-994);~~
- (6) ~~catheter associated urinary tract infection (ICD 9 CM code 996.64);~~
- (7) ~~vascular catheter associated infection (ICD 9 CM code 999.31);~~
- (8) ~~manifestations of poor glycemic control (ICD 9 CM codes 249.10; 249.11; 249.20; 249.21; 250.10; 250.11; 250.12; 250.13; 250.20; 250.21; 250.22; 250.23; and 251.0);~~
- (9) ~~surgical site infection (ICD 9 CM codes 996.67 or 998.59) following certain orthopedic procedures (procedure codes 81.01; 81.02; 81.03; 81.04; 81.05; 81.06; 81.07; 81.08; 81.23; 81.24; 81.31; 81.32; 81.33; 81.34; 81.35; 81.36; 81.37; 81.38; 81.83; and 81.85);~~
- (10) ~~surgical site infection (ICD 9 CM code 998.59) following bariatric surgery (procedure codes 44.38; 44.39; or 44.95) for a principal diagnosis of morbid obesity (ICD 9 CM code 278.01);~~
- (11) ~~surgical site infection, mediastinitis (ICD 9 CM code 519.2) following coronary artery bypass graft (procedure codes 36.10 to 36.19); and~~
- (12) ~~deep vein thrombosis (ICD 9 CM codes 453.40 to 453.42) or pulmonary embolism (ICD 9 CM codes 415.11 or 415.19) following total knee replacement (procedure code 81.54) or hip replacement (procedure codes 00.85 to 00.87 or 81.51 to 81.52).~~

(d) The prohibition in paragraph (a) applies to any additional payments that result from a hospital-acquired condition ~~listed~~ identified in paragraph (c), including, but not limited to, additional treatment or procedures, readmission to the facility after discharge, increased length of stay, change to a higher diagnostic category, or transfer to another hospital. In the event of a transfer to another hospital, the hospital where the condition ~~listed~~ identified under paragraph (c) was acquired is responsible for any costs incurred at the hospital to which the patient is transferred.

(e) A hospital shall not bill a recipient of services for any payment disallowed under this subdivision.

Sec. 13. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision to read:

Subd. 3d. **Rate increase.** The total payment for fee for service admissions occurring on or after July 1, 2014, through December 31, 2014, made to hospitals for inpatient services before third-party liability and spenddown, is increased by three percent from the current statutory rates. Facilities defined under subdivision 16, long-term hospitals as determined under the Medicare program, children's hospitals whose inpatients are predominantly under 18 years of age, and payments under managed care are excluded from this rate increase.

Sec. 14. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision to read:

Subd. 4b. **Medical assistance cost reports for services.** (a) A hospital that meets one of the following criteria must annually file medical assistance cost reports within six months of the end of the hospital's fiscal year:

(1) a hospital designated as a critical access hospital that receives medical assistance payments; or

(2) a Minnesota hospital or out-of-state hospital located within a Minnesota local trade area that receives a disproportionate population adjustment under subdivision 9.

For purposes of this subdivision, local trade area has the meaning given in subdivision 17.

(b) The Department of Human Services must suspend payments to any hospital that fails to file a report required under this subdivision. Payments must remain suspended until the report has been filed with and accepted by the Department of Human Services inpatient rates unit.

Sec. 15. Minnesota Statutes 2012, section 256.969, subdivision 6a, is amended to read:

Subd. 6a. **Special considerations.** In determining the payment rates, the commissioner shall consider whether the circumstances in subdivisions ~~7~~ 8 to 14 exist.

Sec. 16. Minnesota Statutes 2012, section 256.969, subdivision 8, is amended to read:

Subd. 8. **Unusual length of stay experience.** (a) The commissioner shall establish day outlier thresholds for each diagnostic category established under subdivision 2 at two standard deviations beyond the mean length of stay. Payment for the days beyond the outlier threshold shall be in addition to the operating and property payment rates per admission established under subdivisions 2, and 2b, and 2e. Payment for outliers shall be at 70 percent of the allowable operating cost, after adjustment by the case mix index, hospital cost index, relative values and the disproportionate population adjustment. The outlier threshold for neonatal and burn diagnostic categories shall be established at one standard deviation beyond the mean length of stay, and payment shall be at 90 percent of allowable operating cost calculated in the same manner as other outliers. A hospital may choose an alternative to the 70 percent outlier payment that is at a minimum of 60 percent and a maximum of 80 percent if the commissioner is notified in writing of the request by October 1 of the year preceding the rate year. The chosen percentage applies to all diagnostic categories except burns and neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall be added back to the base year operating payment rate per admission.

(b) Effective for transfers occurring on or after September 1, 2014, the commissioner shall establish payment rates for acute transfers that are based on Medicare methodologies.

Sec. 17. Minnesota Statutes 2012, section 256.969, subdivision 8a, is amended to read:

Subd. 8a. **Short length of stay.** ~~Except as provided in subdivision 13, for admissions occurring on or after July 1, 1995, payment shall be determined as follows and shall be included in the base year for rate setting purposes:~~

~~(1) for an admission that is categorized to a neonatal diagnostic related group in which the length of stay is less than 50 percent of the average length of stay for the category in the base year and the patient at admission is equal to or greater than the age of one, payments shall be established according to the methods of subdivision 14;~~

~~(2) For an admission that is categorized to a diagnostic category that includes neonatal respiratory distress syndrome, the hospital must have a level II or level III nursery and the patient must receive treatment in that unit or payment will be made without regard to the syndrome condition.~~

Sec. 18. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision to read:

Subd. 8c. **Hospital residents.** Payments for hospital residents shall be made as follows:

(1) payments for the first 180 days of inpatient care shall be the DRG system payment plus any appropriate outliers; and

(2) payment for all medically necessary patient care subsequent to 180 days shall be reimbursed at a rate equal to 80 percent of the product of the statewide average cost-to-charge ratio multiplied by the usual and customary charges.

Sec. 19. Minnesota Statutes 2012, section 256.969, subdivision 9, is amended to read:

Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions occurring on or after October 1, 1992, through December 31, 1992, the medical assistance disproportionate population adjustment shall comply with federal law and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service but less than or equal to one standard deviation above the mean, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment that would be determined under clause (1) for that hospital by 1.1. If federal matching funds are not available for all adjustments under this subdivision, the commissioner shall reduce payments on a pro rata basis so that all adjustments qualify for federal match. ~~The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. For purposes of this subdivision medical assistance does not include general assistance medical care.~~ The commissioner shall report annually on the number of hospitals likely to receive the adjustment authorized by this paragraph. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class.

(b) For admissions occurring on or after July 1, 1993, the medical assistance disproportionate population adjustment shall comply with federal law and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service but less than or equal to one standard deviation above the mean, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment that would be determined under clause (1) for that hospital by 1.1. The commissioner may establish a separate disproportionate population operating payment

rate adjustment under the general assistance medical care program. For purposes of this subdivision, medical assistance does not include general assistance medical care. The commissioner shall report annually on the number of hospitals likely to receive the adjustment authorized by this paragraph. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class;

~~(3) for a hospital that had medical assistance fee for service payment volume during calendar year 1991 in excess of 13 percent of total medical assistance fee for service payment volume, a medical assistance disproportionate population adjustment shall be paid in addition to any other disproportionate payment due under this subdivision as follows: \$1,515,000 due on the 15th of each month after noon, beginning July 15, 1995. For a hospital that had medical assistance fee for service payment volume during calendar year 1991 in excess of eight percent of total medical assistance fee for service payment volume and was the primary hospital affiliated with the University of Minnesota, a medical assistance disproportionate population adjustment shall be paid in addition to any other disproportionate payment due under this subdivision as follows: \$505,000 due on the 15th of each month after noon, beginning July 15, 1995; and~~

~~(4) effective August 1, 2005, the payments in paragraph (b), clause (3), shall be reduced to zero.~~

~~(c) The commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in paragraph (b), clauses (1) and (2), on a nondiscounted hospital-specific basis but shall not adjust those rates to reflect payments provided in clause (3).~~

~~(d) If federal matching funds are not available for all adjustments under paragraph (b), the commissioner shall reduce payments under paragraph (b), clauses (1) and (2), on a pro rata basis so that all adjustments under paragraph (b) qualify for federal match.~~

~~(e) For purposes of this subdivision, medical assistance does not include general assistance medical care.~~

~~(f) For hospital services occurring on or after July 1, 2005, to June 30, 2007:~~

~~(1) general assistance medical care expenditures for fee for service inpatient and outpatient hospital payments made by the department shall be considered Medicaid disproportionate share hospital payments, except as limited below:~~

~~(i) only the portion of Minnesota's disproportionate share hospital allotment under section 1923(f) of the Social Security Act that is not spent on the disproportionate population adjustments in paragraph (b), clauses (1) and (2), may be used for general assistance medical care expenditures;~~

~~(ii) only those general assistance medical care expenditures made to hospitals that qualify for disproportionate share payments under section 1923 of the Social Security Act and the Medicaid state plan may be considered disproportionate share hospital payments;~~

~~(iii) only those general assistance medical care expenditures made to an individual hospital that would not cause the hospital to exceed its individual hospital limits under section 1923 of the Social Security Act may be considered; and~~

~~(iv) general assistance medical care expenditures may be considered only to the extent of Minnesota's aggregate allotment under section 1923 of the Social Security Act.~~

~~All hospitals and prepaid health plans participating in general assistance medical care must provide any necessary expenditure, cost, and revenue information required by the commissioner as necessary for purposes of obtaining federal Medicaid matching funds for general assistance medical care expenditures; and~~

~~(c)~~ (c) Certified public expenditures made by Hennepin County Medical Center shall be considered Medicaid disproportionate share hospital payments. Hennepin County and Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning July 1, 2005, or another date specified by the commissioner, that may qualify for reimbursement under federal law. Based on these reports, the commissioner shall apply for federal matching funds.

~~(d)~~ (d) Upon federal approval of the related state plan amendment, paragraph ~~(c)~~ (c) is effective retroactively from July 1, 2005, or the earliest effective date approved by the Centers for Medicare and Medicaid Services.

Sec. 20. Minnesota Statutes 2012, section 256.969, subdivision 10, is amended to read:

Subd. 10. **Separate billing by certified registered nurse anesthetists.** Hospitals ~~may~~ must exclude certified registered nurse anesthetist costs from the operating payment rate ~~as allowed by section 256B.0625, subdivision 11.~~ To be eligible, a hospital ~~must notify the commissioner in writing by October 1 of even numbered years to exclude certified registered nurse anesthetist costs.~~ The hospital must agree that all hospital claims for the cost and charges of certified registered nurse anesthetist services will not be included as part of the rates for inpatient services provided during the rate year. ~~In this case, the operating payment rate shall be adjusted to exclude the cost of certified registered nurse anesthetist services.~~

~~For admissions occurring on or after July 1, 1991, and until the expiration date of section 256.9695, subdivision 3, services of certified registered nurse anesthetists provided on an inpatient basis may be paid as allowed by section 256B.0625, subdivision 11, when the hospital's base year did not include the cost of these services. To be eligible, a hospital must notify the commissioner in writing by July 1, 1991, of the request and must comply with all other requirements of this subdivision.~~

Sec. 21. Minnesota Statutes 2012, section 256.969, subdivision 12, is amended to read:

Subd. 12. **Rehabilitation distinct parts.** (a) Units of hospitals that are recognized as rehabilitation distinct parts by the Medicare program shall have separate provider numbers under the medical assistance program for rate establishment and billing purposes only. These units shall also have operating ~~and property~~ payment rates and the disproportionate population adjustment, if allowed by federal law, established separately from other inpatient hospital services.

(b) The commissioner ~~may~~ shall establish separate relative values under subdivision 2 for rehabilitation hospitals and distinct parts as defined by the Medicare program. Effective for discharges on or after September 1, 2014, the commissioner, to the extent possible, shall replicate the existing payment rate methodology under the new diagnostic classification system. The result must be budget neutral, ensuring that the total aggregate payments under the new system are equal to the total aggregate payments made for the same number and types of services in the base year, state fiscal year 2012.

(c) For individual hospitals that did not have separate medical assistance rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals shall provide the information needed to separate rehabilitation distinct part cost and claims data from other inpatient service data.

Sec. 22. Minnesota Statutes 2012, section 256.969, subdivision 14, is amended to read:

Subd. 14. **Transfers.** ~~Except as provided in subdivisions 11 and 13,~~ (a) Operating and property payment rates for admissions that result in transfers and transfers shall be established on a per day payment system. The per day payment rate shall be the sum of the adjusted operating and property payment rates determined under this subdivision and subdivisions 2, 2b, ~~2e,~~ 3a, 4a, 5a, and 7 to 12, divided by the arithmetic mean length of stay for the diagnostic category. Each admission that results in a transfer and each transfer is considered a separate admission to

each hospital, and the total of the admission and transfer payments to each hospital must not exceed the total per admission payment that would otherwise be made to each hospital under this subdivision and subdivisions 2, 2b, ~~2e~~, 3a, 4a, 5a, and ~~7 to 13~~ 8 to 12.

(b) Effective for transfers occurring on and after September 1, 2014, the commissioner shall establish payment rates for acute transfers that are based on Medicare methodologies.

Sec. 23. Minnesota Statutes 2012, section 256.969, subdivision 17, is amended to read:

Subd. 17. **Out-of-state hospitals in local trade areas.** Out-of-state hospitals that are located within a Minnesota local trade area and that have more than 20 admissions in the base year or years shall have rates established using the same procedures and methods that apply to Minnesota hospitals. For this subdivision and subdivision 18, local trade area means a county contiguous to Minnesota and located in a metropolitan statistical area as determined by Medicare for October 1 prior to the most current rebased rate year. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this subdivision until required by ~~rule~~ statute. Hospitals affected by this subdivision shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This subdivision is effective for hospital fiscal years beginning on or after July 1, 1988. A hospital shall provide the information necessary to establish rates under this subdivision at least 90 days before the start of the hospital's fiscal year.

Sec. 24. Minnesota Statutes 2012, section 256.969, subdivision 18, is amended to read:

Subd. 18. **Out-of-state hospitals outside local trade areas.** Hospitals that are not located within Minnesota or a Minnesota local trade area shall have ~~operating and property~~ inpatient hospital rates established at the average of statewide and local trade area rates or, at the commissioner's discretion, at an amount negotiated by the commissioner. Relative values shall not include data from hospitals that have rates established under this subdivision. Payments, including third-party and recipient liability, established under this subdivision may not exceed the charges on a claim specific basis for inpatient services that are covered by medical assistance.

Sec. 25. Minnesota Statutes 2012, section 256.969, subdivision 25, is amended to read:

Subd. 25. **Long-term hospital rates.** (a) Long-term hospitals shall be paid a per diem rate established by the commissioner.

(b) For admissions occurring on or after April 1, 1995, a long-term hospital as designated by Medicare that does not have admissions in the base year shall have inpatient rates established at the average of other hospitals with the same designation. For subsequent rate-setting periods in which base years are updated, the hospital's base year shall be the first Medicare cost report filed with the long-term hospital designation and shall remain in effect until it falls within the same period as other hospitals.

Sec. 26. Minnesota Statutes 2012, section 256.969, subdivision 30, is amended to read:

Subd. 30. **Payment rates for births.** (a) For admissions occurring on or after ~~October 1, 2009~~, September 1, 2014, the total operating and property payment rate, excluding disproportionate population adjustment, for the following diagnosis-related groups, as they fall within the diagnostic APR-DRG categories: ~~(1) 371 cesarean section without complicating diagnosis; (2) 372 vaginal delivery with complicating diagnosis; and (3) 373 vaginal delivery without complicating diagnosis;~~ 5401, 5402, 5403, and 5404 cesarean section, shall be no greater than \$3,528.

(b) The rates described in this subdivision do not include newborn care.

(c) Payments to managed care and county-based purchasing plans under section 256B.69, 256B.692, or 256L.12 shall be reduced for services provided on or after October 1, 2009, to reflect the adjustments in paragraph (a).

(d) Prior authorization shall not be required before reimbursement is paid for a cesarean section delivery.

Sec. 27. Minnesota Statutes 2012, section 256B.04, is amended by adding a subdivision to read:

Subd. 24. **Medicaid waiver requests and state plan amendments.** Prior to submitting any Medicaid waiver request or Medicaid state plan amendment to the federal government for approval, the commissioner shall publish the text of the waiver request or state plan amendment, and a summary of and explanation of the need for the request, on the agency's Web site and provide a 30-day public comment period. The commissioner shall notify the public of the availability of this information through the agency's electronic subscription service. The commissioner shall consider public comments when preparing the final waiver request or state plan amendment that is to be submitted to the federal government for approval. The commissioner shall also publish on the agency's Web site notice of any federal decision related to the state request for approval, within 30 days of the decision. This notice must describe any modifications to the state request that have been agreed to by the commissioner as a condition of receiving federal approval.

Sec. 28. Minnesota Statutes 2013 Supplement, section 256B.056, subdivision 5c, is amended to read:

Subd. 5c. **Excess income standard.** (a) The excess income standard for parents and caretaker relatives, pregnant women, infants, and children ages two through 20 is the standard specified in subdivision 4, paragraph (b).

(b) The excess income standard for a person whose eligibility is based on blindness, disability, or age of 65 or more years shall equal 75 percent of the federal poverty guidelines. The excess income standard under this paragraph shall equal 80 percent of the federal poverty guidelines, effective January 1, 2017.

Sec. 29. Minnesota Statutes 2012, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, and public health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. A federally qualified health center that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, a federally qualified health center shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. Federally qualified health centers that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

(c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), a federally qualified health center or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the Department of Health according to section 62Q.19, subdivision 7. For those federally qualified health centers and rural health clinics that have applied for

essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For federally qualified health centers and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not federally qualified health centers or rural health clinics.

(d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally qualified health center or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

(e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

(f) Effective January 1, 2001, each federally qualified health center and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a(aa), or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The alternative payment methodology shall be 100 percent of cost as determined according to Medicare cost principles.

(g) For purposes of this section, "nonprofit community clinic" is a clinic that:

(1) has nonprofit status as specified in chapter 317A;

(2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

(3) is established to provide health services to low-income population groups, uninsured, high-risk and special needs populations, underserved and other special needs populations;

(4) employs professional staff at least one-half of which are familiar with the cultural background of their clients;

(5) charges for services on a sliding fee scale designed to provide assistance to low-income clients based on current poverty income guidelines and family size; and

(6) does not restrict access or services because of a client's financial limitations or public assistance status and provides no-cost care as needed.

(h) Effective for dates of service on and after January 1, 2015, all claims for payment of clinic services provided by federally qualified health centers and rural health clinics shall be submitted directly to the commissioner and paid by the commissioner. The commissioner shall provide claims information received by the commissioner under this paragraph for recipients enrolled in managed care to managed care organizations on a regular basis.

(i) For clinic services provided prior to January 1, 2015, the commissioner shall calculate and pay monthly the proposed managed care supplemental payments to clinics and clinics shall conduct a timely review of the payment calculation data in order to finalize all supplemental payments in accordance with federal law. Any issues arising from a clinic's review must be reported to the commissioner by January 1, 2017. Upon final agreement between the commissioner and a clinic on issues identified under this subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no supplemental payments for managed care claims for dates of service prior to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to resolve issues under this subdivision, the parties shall submit the dispute to the arbitration process under section 14.57.

Sec. 30. Minnesota Statutes 2012, section 256B.0751, is amended by adding a subdivision to read:

Subd. 10. Health care homes advisory committee. (a) The commissioners of health and human services shall establish a health care homes advisory committee to advise the commissioners on the ongoing statewide implementation of the health care homes program authorized in this section.

(b) The commissioners shall establish an advisory committee that includes representatives of the health care professions such as primary care providers; mental health providers; nursing and care coordinators; certified health care home clinics with statewide representation; health plan companies; state agencies; employers; academic researchers; consumers; and organizations that work to improve health care quality in Minnesota. At least 25 percent of the committee members must be consumers or patients in health care homes. The commissioners, in making appointments to the committee, shall ensure geographic representation of all regions of the state.

(c) The advisory committee shall advise the commissioners on ongoing implementation of the health care homes program, including, but not limited to, the following activities:

(1) implementation of certified health care homes across the state on performance management and implementation of benchmarking;

(2) implementation of modifications to the health care homes program based on results of the legislatively mandated health care home evaluation;

(3) statewide solutions for engagement of employers and commercial payers;

(4) potential modifications of the health care home rules or statutes;

(5) consumer engagement, including patient and family-centered care, patient activation in health care, and shared decision making;

(6) oversight for health care home subject matter task forces or workgroups; and

(7) other related issues as requested by the commissioners.

(d) The advisory committee shall have the ability to establish subcommittees on specific topics. The advisory committee is governed by section 15.059. Notwithstanding section 15.059, the advisory committee does not expire.

Sec. 31. Minnesota Statutes 2012, section 256B.199, is amended to read:

256B.199 PAYMENTS REPORTED BY GOVERNMENTAL ENTITIES.

~~(a) Effective July 1, 2007, The commissioner shall apply for federal matching funds for the expenditures in paragraphs (b) and (c). Effective September 1, 2011, the commissioner shall apply for matching funds for expenditures in paragraph (c).~~

(b) The commissioner shall apply for federal matching funds for certified public expenditures as follows:

(1) Hennepin County, Hennepin County Medical Center, Ramsey County, and Regions Hospital, ~~the University of Minnesota, and Fairview University Medical Center~~ shall report quarterly to the commissioner beginning June 1, 2007, payments made during the second previous quarter that may qualify for reimbursement under federal law;

(2) based on these reports, the commissioner shall apply for federal matching funds. ~~These funds are appropriated to the commissioner for the payments under section 256.969, subdivision 27; and~~

(3) by May 1 of each year, beginning May 1, 2007, the commissioner shall inform the nonstate entities listed in paragraph (a) of the amount of federal disproportionate share hospital payment money expected to be available in the current federal fiscal year.

~~(e) The commissioner shall apply for federal matching funds for general assistance medical care expenditures as follows:~~

~~(1) for hospital services occurring on or after July 1, 2007, general assistance medical care expenditures for fee-for-service inpatient and outpatient hospital payments made by the department shall be used to apply for federal matching funds, except as limited below:~~

~~(i) only those general assistance medical care expenditures made to an individual hospital that would not cause the hospital to exceed its individual hospital limits under section 1923 of the Social Security Act may be considered; and~~

~~(ii) general assistance medical care expenditures may be considered only to the extent of Minnesota's aggregate allotment under section 1923 of the Social Security Act; and~~

~~(2) all hospitals must provide any necessary expenditure, cost, and revenue information required by the commissioner as necessary for purposes of obtaining federal Medicaid matching funds for general assistance medical care expenditures.~~

~~(d) (c)~~ For the period from April 1, 2009, to September 30, 2010, the commissioner shall apply for additional federal matching funds available as disproportionate share hospital payments under the American Recovery and Reinvestment Act of 2009. ~~These funds shall be made available as the state share of payments under section 256.969, subdivision 28.~~ The entities required to report certified public expenditures under paragraph (b), clause (1), shall report additional certified public expenditures as necessary under this paragraph.

~~(e) (d)~~ For services provided on or after September 1, 2011, the commissioner shall apply for additional federal matching funds available as disproportionate share hospital payments under the MinnesotaCare program ~~according to the requirements and conditions of paragraph (e).~~ A hospital may elect on an annual basis to not be a disproportionate share hospital for purposes of this paragraph, if the hospital does not qualify for a payment under section 256.969, subdivision 9, paragraph (b).

Sec. 32. Minnesota Statutes 2012, section 256B.35, subdivision 1, is amended to read:

Subdivision 1. **Personal needs allowance.** (a) Notwithstanding any law to the contrary, welfare allowances for clothing and personal needs for individuals receiving medical assistance while residing in any skilled nursing home, intermediate care facility, or medical institution including recipients of Supplemental Security Income, in this state shall not be less than \$45 per month from all sources. When benefit amounts for Social Security or Supplemental Security Income recipients are increased pursuant to United States Code, title 42, sections 415(i) and 1382f, the commissioner shall, effective in the month in which the increase takes effect, increase by the same percentage to the nearest whole dollar the clothing and personal needs allowance for individuals receiving medical assistance while residing in any skilled nursing home, medical institution, or intermediate care facility. The commissioner shall provide timely notice to local agencies, providers, and recipients of increases under this provision.

(b) The personal needs allowance may be paid as part of the Minnesota supplemental aid program, and payments to recipients of Minnesota supplemental aid may be made once each three months covering liabilities that accrued during the preceding three months.

(c) The personal needs allowance shall be increased to include income garnished for child support under a court order, up to a maximum of \$250 per month but only to the extent that the amount garnished is not deducted as a monthly allowance for children under section 256B.0575, paragraph (a), clause (5).

(d) Solely for the purpose of section 256B.0575, subdivision 1, paragraph (a), clause (1), the personal needs allowance shall be increased to include income garnished for spousal maintenance under a judgment and decree for dissolution of marriage, and any administrative fees garnished for collection efforts.

Sec. 33. Minnesota Statutes 2013 Supplement, section 256B.69, subdivision 34, is amended to read:

Subd. 34. **Supplemental recovery program.** The commissioner shall conduct a supplemental recovery program for third-party liabilities, identified through coordination of benefits, not recovered by managed care plans and county-based purchasing plans for state public health programs. Any third-party liability identified through coordination of benefits, and recovered by the commissioner more than ~~six~~ eight months after the date a managed care plan or county-based purchasing plan ~~receives~~ adjudicates a health care claim, shall be retained by the commissioner and deposited in the general fund. The commissioner shall establish a mechanism, including a reconciliation process, for managed care plans and county-based purchasing plans to coordinate third-party liability collections efforts resulting from coordination of benefits under this subdivision with the commissioner to ensure there is no duplication of efforts. The coordination mechanism must be consistent with the reporting requirements in subdivision 9c. The commissioner shall share accurate and timely third-party liability data with managed care organizations.

Sec. 34. Laws 2013, chapter 108, article 1, section 24, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, 2014.

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

Sec. 35. **MEDICAL ASSISTANCE SPENDDOWN REQUIREMENTS.**

The commissioner of human services, in consultation with interested stakeholders, shall review medical assistance spenddown requirements and processes, including those used in other states, for individuals with disabilities and seniors age 65 years of age or older. Based on this review, the commissioner shall recommend alternative medical assistance spenddown payment requirements and processes that:

(1) are practical for current and potential medical assistance recipients, providers, and the Department of Human Services;

(2) improve the medical assistance payment process for providers; and

(3) allow current and potential medical assistance recipients to obtain consistent and affordable medical coverage.

The commissioner shall report these recommendations, along with the projected cost, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance by November 15, 2015.

Sec. 36. **REPEALER.**

Minnesota Statutes 2012, sections 256.969, subdivisions 2c, 8b, 9a, 9b, 11, 13, 20, 21, 22, 26, 27, and 28; and 256.9695, subdivisions 3 and 4, are repealed.

ARTICLE 25
CHILDREN AND FAMILY SERVICES AND NORTHSTAR CARE FOR CHILDREN

Section 1. Minnesota Statutes 2012, section 245C.05, subdivision 5, is amended to read:

Subd. 5. **Fingerprints.** (a) Except as provided in paragraph (c), for any background study completed under this chapter, when the commissioner has reasonable cause to believe that further pertinent information may exist on the subject of the background study, the subject shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency.

(b) For purposes of requiring fingerprints, the commissioner has reasonable cause when, but not limited to, the:

(1) information from the Bureau of Criminal Apprehension indicates that the subject is a multistate offender;

(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined; or

(3) commissioner has received a report from the subject or a third party indicating that the subject has a criminal history in a jurisdiction other than Minnesota.

(c) Except as specified under section 245C.04, subdivision 1, paragraph (d), for background studies conducted by the commissioner for child foster care ~~or~~ adoptions, or a transfer of permanent legal and physical custody of a child, the subject of the background study, who is 18 years of age or older, shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency.

Sec. 2. Minnesota Statutes 2013 Supplement, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information from the national crime information system when the commissioner has reasonable cause as defined under section 245C.05, subdivision 5; and

(6) for a background study related to a child foster care application for licensure, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years; and

(ii) information from national crime information databases, when the background study subject is 18 years of age or older.

(b) Notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

Sec. 3. Minnesota Statutes 2012, section 245C.33, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by commissioner.** (a) Before placement of a child for purposes of adoption, the commissioner shall conduct a background study on individuals listed in ~~section~~ sections 259.41, subdivision 3, and 260C.611, for county agencies and private agencies licensed to place children for adoption. When a prospective adoptive parent is seeking to adopt a child who is currently placed in the prospective adoptive parent's home and is under the guardianship of the commissioner according to section 260C.325, subdivision 1, paragraph (b), and the prospective adoptive parent holds a child foster care license, a new background study is not required when:

(1) a background study was completed on persons required to be studied under section 245C.03 in connection with the application for child foster care licensure after July 1, 2007;

(2) the background study included a review of the information in section 245C.08, subdivisions 1, 3, and 4; and

(3) as a result of the background study, the individual was either not disqualified or, if disqualified, the disqualification was set aside under section 245C.22, or a variance was issued under section 245C.30.

(b) Before the kinship placement agreement is signed for the purpose of transferring permanent legal and physical custody to a relative under sections 260C.503 to 260C.515, the commissioner shall conduct a background study on each person age 13 or older living in the home. When a prospective relative custodian has a child foster care license, a new background study is not required when:

(1) a background study was completed on persons required to be studied under section 245C.03 in connection with the application for child foster care licensure after July 1, 2007;

(2) the background study included a review of the information in section 245C.08, subdivisions 1, 3, and 4; and

(3) as a result of the background study, the individual was either not disqualified or, if disqualified, the disqualification was set aside under section 245C.22, or a variance was issued under section 245C.30. The commissioner and the county agency shall expedite any request for a set aside or variance for a background study required under chapter 256N.

Sec. 4. Minnesota Statutes 2012, section 245C.33, subdivision 4, is amended to read:

Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review the following information regarding the background study subject:

(1) the information under section 245C.08, subdivisions 1, 3, and 4;

(2) information from the child abuse and neglect registry for any state in which the subject has resided for the past five years; and

(3) information from national crime information databases, when required under section 245C.08.

(b) The commissioner shall provide any information collected under this subdivision to the county or private agency that initiated the background study. The commissioner shall also provide the agency:

(1) notice whether the information collected shows that the subject of the background study has a conviction listed in United States Code, title 42, section 671(a)(20)(A); and

(2) for background studies conducted under subdivision 1, paragraph (a), the date of all adoption-related background studies completed on the subject by the commissioner after June 30, 2007, and the name of the county or private agency that initiated the adoption-related background study.

Sec. 5. Minnesota Statutes 2012, section 256J.49, subdivision 13, is amended to read:

Subd. 13. **Work activity.** (a) "Work activity" means any activity in a participant's approved employment plan that leads to employment. For purposes of the MFIP program, this includes activities that meet the definition of work activity under the participation requirements of TANF. Work activity includes:

(1) unsubsidized employment, including work study and paid apprenticeships or internships;

(2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69, on-the-job training as specified in section 256J.66, paid work experience, and supported work when a wage subsidy is provided;

(3) unpaid work experience, including community service, volunteer work, the community work experience program as specified in section 256J.67, unpaid apprenticeships or internships, and supported work when a wage subsidy is not provided. Unpaid work experience is only an option if the participant has been unable to obtain or maintain paid employment in the competitive labor market, and no paid work experience programs are available to the participant. Prior to placing a participant in unpaid work, the county must inform the participant that the participant will be notified if a paid work experience or supported work position becomes available. Unless a participant consents in writing to participate in unpaid work experience, the participant's employment plan may only include unpaid work experience if including the unpaid work experience in the plan will meet the following criteria:

(i) the unpaid work experience will provide the participant specific skills or experience that cannot be obtained through other work activity options where the participant resides or is willing to reside; and

(ii) the skills or experience gained through the unpaid work experience will result in higher wages for the participant than the participant could earn without the unpaid work experience;

(4) job search including job readiness assistance, job clubs, job placement, job-related counseling, and job retention services;

(5) job readiness education, including English as a second language (ESL) or functional work literacy classes ~~as limited by the provisions of section 256J.531, subdivision 2,~~ general educational development (GED) or Minnesota adult diploma course work, high school completion, and adult basic education ~~as limited by the provisions of section 256J.531, subdivision 1;~~

(6) job skills training directly related to employment, including postsecondary education and training that can reasonably be expected to lead to employment, ~~as limited by the provisions of section 256J.53;~~

(7) providing child care services to a participant who is working in a community service program;

(8) activities included in the employment plan that is developed under section 256J.521, subdivision 3; and

(9) preemployment activities including chemical and mental health assessments, treatment, and services; learning disabilities services; child protective services; family stabilization services; or other programs designed to enhance employability.

(b) "Work activity" does not include activities done for political purposes as defined in section 211B.01, subdivision 6.

Sec. 6. Minnesota Statutes 2012, section 256J.53, subdivision 1, is amended to read:

Subdivision 1. **Length of program.** (a) In order for a postsecondary education or training program to be an approved work activity as defined in section 256J.49, subdivision 13, clause (6), it must be a program lasting ~~24 months~~ four years or less, and the participant must meet the requirements of subdivisions 2, 3, and 5.

(b) Participants with a high school diploma, general educational development (GED) credential, or Minnesota adult diploma must be informed of the opportunity to participate in postsecondary education or training while in the Minnesota family investment program.

Sec. 7. Minnesota Statutes 2012, section 256J.53, subdivision 2, is amended to read:

Subd. 2. **Approval of postsecondary education or training.** (a) ~~In order for a postsecondary education or training program to be an approved activity in an employment plan, the plan must include additional work activities if the education and training activities do not meet the minimum hours required to meet the federal work participation rate under Code of Federal Regulations, title 45, sections 261.31 and 261.35.~~

(b) ~~Participants seeking approval of a~~ who are interested in participating in postsecondary education or training ~~plan as part of their employment plan must provide documentation that discuss their education plans with their job counselor. Job counselors must work with participants to evaluate options by:~~

(1) ~~the employment goal can only be met with the additional education or training;~~

(2) advising whether there are suitable employment opportunities that require the specific education or training in the area in which the participant resides or is willing to reside;

(3) ~~the education or training will result in significantly higher wages for the participant than the participant could earn without the education or training;~~

(4) (2) assisting the participant in exploring whether the participant can meet the requirements for admission into the program; and

~~(5) (3) there is a reasonable expectation that the participant will complete the training program discussing the participant's strengths and challenges based on such factors as the participant's MFIP assessment, previous education, training, and work history; current motivation; and changes in previous circumstances.~~

(b) The requirements of this subdivision do not apply to participants who are in:

(1) a recognized career pathway program that leads to stackable credentials;

(2) a training program lasting 12 weeks or less; or

(3) the final year of a multi-year postsecondary education or training program.

Sec. 8. Minnesota Statutes 2012, section 256J.53, subdivision 5, is amended to read:

Subd. 5. **Requirements after postsecondary education or training.** Upon completion of an approved education or training program, a participant who does not meet the participation requirements in section 256J.55, subdivision 1, through unsubsidized employment must participate in job search. If, after ~~six~~ 12 weeks of job search, the participant does not find a full-time job consistent with the employment goal, the participant must accept any offer of full-time suitable employment, or meet with the job counselor to revise the employment plan to include additional work activities necessary to meet hourly requirements.

Sec. 9. Minnesota Statutes 2012, section 256J.531, is amended to read:

256J.531 BASIC EDUCATION; ENGLISH AS A SECOND LANGUAGE.

Subdivision 1. **Approval of adult basic education.** ~~With the exception of classes related to obtaining a general educational development credential (GED), a participant must have reading or mathematics proficiency below a ninth grade level in order for adult basic education classes to be an~~ A participant who lacks a high school diploma, general educational development (GED) credential, or Minnesota adult diploma must be allowed to pursue these credentials as an approved work activity, provided that the participant is making satisfactory progress. Participants eligible to pursue a general educational development (GED) credential or Minnesota adult diploma under this subdivision must be informed of the opportunity to participate while in the Minnesota family investment program. The employment plan must also specify that the participant fulfill no more than one half of the participation requirements in section 256J.55, subdivision 1, through attending adult basic education or general educational development classes.

Subd. 2. **Approval of English as a second language.** In order for English as a second language (ESL) classes to be an approved work activity in an employment plan, a participant must be below a spoken language proficiency level of SPL6 or its equivalent, as measured by a nationally recognized test. In approving ESL as a work activity, the job counselor must give preference to enrollment in a functional work literacy program, if one is available, over a regular ESL program. ~~A participant may not be approved for more than a combined total of 24 months of ESL classes while participating in the diversionary work program and the employment and training services component of MFIP. The employment plan must also specify that the participant fulfill no more than one half of the participation requirements in section 256J.55, subdivision 1, through attending ESL classes. For participants enrolled in functional work literacy classes, no more than two thirds of the participation requirements in section 256J.55, subdivision 1, may be met through attending functional work literacy classes.~~

Sec. 10. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 1, is amended to read:

Subdivision 1. **General eligibility requirements.** (a) To be eligible for guardianship assistance under this section, there must be a judicial determination under section 260C.515, subdivision 4, that a transfer of permanent legal and physical custody to a relative is in the child's best interest. For a child under jurisdiction of a tribal court, a

judicial determination under a similar provision in tribal code indicating that a relative will assume the duty and authority to provide care, control, and protection of a child who is residing in foster care, and to make decisions regarding the child's education, health care, and general welfare until adulthood, and that this is in the child's best interest is considered equivalent. Additionally, a child must:

(1) have been removed from the child's home pursuant to a voluntary placement agreement or court order;

(2)(i) have resided ~~in~~ with the prospective relative custodian who has been a licensed child foster care parent for at least six consecutive months ~~in the home of the prospective relative custodian~~; or

(ii) have received from the commissioner an exemption from the requirement in item (i) ~~from the court that the prospective relative custodian has been a licensed child foster parent for at least six consecutive months~~, based on a determination that:

(A) an expedited move to permanency is in the child's best interest;

(B) expedited permanency cannot be completed without provision of guardianship assistance; ~~and~~

(C) the prospective relative custodian is uniquely qualified to meet the child's needs, as defined in section 260C.212, subdivision 2, on a permanent basis;

(D) the child and prospective relative custodian meet the eligibility requirements of this section; and

(E) efforts were made by the legally responsible agency to place the child with the prospective relative custodian as a licensed child foster parent for six consecutive months before permanency, or an explanation why these efforts were not in the child's best interests;

(3) meet the agency determinations regarding permanency requirements in subdivision 2;

(4) meet the applicable citizenship and immigration requirements in subdivision 3;

(5) have been consulted regarding the proposed transfer of permanent legal and physical custody to a relative, if the child is at least 14 years of age or is expected to attain 14 years of age prior to the transfer of permanent legal and physical custody; and

(6) have a written, binding agreement under section 256N.25 among the caregiver or caregivers, the financially responsible agency, and the commissioner established prior to transfer of permanent legal and physical custody.

(b) In addition to the requirements in paragraph (a), the child's prospective relative custodian or custodians must meet the applicable background study requirements in subdivision 4.

(c) To be eligible for title IV-E guardianship assistance, a child must also meet any additional criteria in section 473(d) of the Social Security Act. The sibling of a child who meets the criteria for title IV-E guardianship assistance in section 473(d) of the Social Security Act is eligible for title IV-E guardianship assistance if the child and sibling are placed with the same prospective relative custodian or custodians, and the legally responsible agency, relatives, and commissioner agree on the appropriateness of the arrangement for the sibling. A child who meets all eligibility criteria except those specific to title IV-E guardianship assistance is entitled to guardianship assistance paid through funds other than title IV-E.

Sec. 11. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 2, is amended to read:

Subd. 2. **Agency determinations regarding permanency.** (a) To be eligible for guardianship assistance, the legally responsible agency must complete the following determinations regarding permanency for the child prior to the transfer of permanent legal and physical custody:

(1) a determination that reunification and adoption are not appropriate permanency options for the child; and

(2) a determination that the child demonstrates a strong attachment to the prospective relative custodian and the prospective relative custodian has a strong commitment to caring permanently for the child.

(b) The legally responsible agency shall document the determinations in paragraph (a) and ~~the eligibility requirements in this section that comply with United States Code, title 42, sections 673(d) and 675(1)(F).~~ These determinations must be documented in a kinship placement agreement, which must be in the format prescribed by the commissioner and must be signed by the prospective relative custodian and the legally responsible agency. In the case of a Minnesota tribe, the determinations and eligibility requirements in this section may be provided in an alternative format approved by the commissioner. Supporting information for completing each determination must be documented in the legally responsible agency's case file and make them available for review as requested by the financially responsible agency and the commissioner during the guardianship assistance eligibility determination process.

Sec. 12. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 4, is amended to read:

Subd. 4. **Background study.** (a) A background study ~~under section 245C.33~~ must be completed on each prospective relative custodian and any other adult residing in the home of the prospective relative custodian. The background study must meet the requirements of United States Code, title 42, section 671(a)(20). A study completed under section 245C.33 meets this requirement. A background study on the prospective relative custodian or adult residing in the household previously completed under ~~section 245C.04~~ chapter 245C for the purposes of child foster care licensure may under chapter 245A or licensure by a Minnesota tribe, shall be used for the purposes of this section, provided that the background study ~~is current~~ meets the requirements of this subdivision and the prospective relative custodian is a licensed child foster parent at the time of the application for guardianship assistance.

(b) If the background study reveals:

(1) a felony conviction at any time for:

(i) child abuse or neglect;

(ii) spousal abuse;

(iii) a crime against a child, including child pornography; or

(iv) a crime involving violence, including rape, sexual assault, or homicide, but not including other physical assault or battery; or

(2) a felony conviction within the past five years for:

(i) physical assault;

(ii) battery; or

(iii) a drug-related offense;

the prospective relative custodian is prohibited from receiving guardianship assistance on behalf of an otherwise eligible child.

Sec. 13. Minnesota Statutes 2013 Supplement, section 256N.23, subdivision 4, is amended to read:

Subd. 4. **Background study.** (a) A background study ~~under section 259.41~~ must be completed on each prospective adoptive parent- and all other adults residing in the home. A background study must meet the requirements of United States Code, title 42, section 671(a)(20). A study completed under section 245C.33 meets this requirement. If the prospective adoptive parent is a licensed child foster parent licensed under chapter 245A or by a Minnesota tribe, the background study previously completed for the purposes of child foster care licensure shall be used for the purpose of this section, provided that the background study meets all other requirements of this subdivision and the prospective adoptive parent is a licensed child foster parent at the time of the application for adoption assistance.

(b) If the background study reveals:

(1) a felony conviction at any time for:

(i) child abuse or neglect;

(ii) spousal abuse;

(iii) a crime against a child, including child pornography; or

(iv) a crime involving violence, including rape, sexual assault, or homicide, but not including other physical assault or battery; or

(2) a felony conviction within the past five years for:

(i) physical assault;

(ii) battery; or

(iii) a drug-related offense;

the adoptive parent is prohibited from receiving adoption assistance on behalf of an otherwise eligible child.

Sec. 14. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 2, is amended to read:

Subd. 2. **Negotiation of agreement.** (a) When a child is determined to be eligible for guardianship assistance or adoption assistance, the financially responsible agency, or, if there is no financially responsible agency, the agency designated by the commissioner, must negotiate with the caregiver to develop an agreement under subdivision 1. If and when the caregiver and agency reach concurrence as to the terms of the agreement, both parties shall sign the agreement. The agency must submit the agreement, along with the eligibility determination outlined in sections 256N.22, subdivision 7, and 256N.23, subdivision 7, to the commissioner for final review, approval, and signature according to subdivision 1.

(b) A monthly payment is provided as part of the adoption assistance or guardianship assistance agreement to support the care of children unless the child is eligible for adoption assistance and determined to be an at-risk child, in which case ~~the special at-risk monthly payment under section 256N.26, subdivision 7, must no payment will~~ be made unless and until the caregiver obtains written documentation from a qualified expert that the potential disability upon which eligibility for the agreement was based has manifested itself.

(1) The amount of the payment made on behalf of a child eligible for guardianship assistance or adoption assistance is determined through agreement between the prospective relative custodian or the adoptive parent and the financially responsible agency, or, if there is no financially responsible agency, the agency designated by the commissioner, using the assessment tool established by the commissioner in section 256N.24, subdivision 2, and the associated benefit and payments outlined in section 256N.26. Except as provided under section 256N.24, subdivision 1, paragraph (c), the assessment tool establishes the monthly benefit level for a child under foster care. The monthly payment under a guardianship assistance agreement or adoption assistance agreement may be negotiated up to the monthly benefit level under foster care. In no case may the amount of the payment under a guardianship assistance agreement or adoption assistance agreement exceed the foster care maintenance payment which would have been paid during the month if the child with respect to whom the guardianship assistance or adoption assistance payment is made had been in a foster family home in the state.

(2) The rate schedule for the agreement is determined based on the age of the child on the date that the prospective adoptive parent or parents or relative custodian or custodians sign the agreement.

(3) The income of the relative custodian or custodians or adoptive parent or parents must not be taken into consideration when determining eligibility for guardianship assistance or adoption assistance or the amount of the payments under section 256N.26.

(4) With the concurrence of the relative custodian or adoptive parent, the amount of the payment may be adjusted periodically using the assessment tool established by the commissioner in section 256N.24, subdivision 2, and the agreement renegotiated under subdivision 3 when there is a change in the child's needs or the family's circumstances.

~~(5) The guardianship assistance or adoption assistance agreement of a child who is identified as at risk receives the special at-risk monthly payment under section 256N.26, subdivision 7, unless and until the potential disability manifests itself, as documented by an appropriate professional, and the commissioner authorizes commencement of payment by modifying the agreement accordingly. A relative custodian or An adoptive parent of an at-risk child with a guardianship assistance or an adoption assistance agreement may request a reassessment of the child under section 256N.24, subdivision 9 10, and renegotiation of the guardianship assistance or adoption assistance agreement under subdivision 3 to include a monthly payment, if the caregiver has written documentation from a qualified expert that the potential disability upon which eligibility for the agreement was based has manifested itself. Documentation of the disability must be limited to evidence deemed appropriate by the commissioner.~~

(c) For guardianship assistance agreements:

(1) the initial amount of the monthly guardianship assistance payment must be equivalent to the foster care rate in effect at the time that the agreement is signed less any offsets under section 256N.26, subdivision 11, or a lesser negotiated amount if agreed to by the prospective relative custodian and specified in that agreement, ~~unless the child is identified as at risk or~~ the guardianship assistance agreement is entered into when a child is under the age of six; and

~~(2) an at risk child must be assigned level A as outlined in section 256N.26 and receive the special at risk monthly payment under section 256N.26, subdivision 7, unless and until the potential disability manifests itself, as documented by a qualified expert, and the commissioner authorizes commencement of payment by modifying the agreement accordingly; and~~

~~(3)~~ (2) the amount of the monthly payment for a guardianship assistance agreement for a child, ~~other than an at-risk child~~, who is under the age of six must be as specified in section 256N.26, subdivision 5.

(d) For adoption assistance agreements:

(1) for a child in foster care with the prospective adoptive parent immediately prior to adoptive placement, the initial amount of the monthly adoption assistance payment must be equivalent to the foster care rate in effect at the time that the agreement is signed less any offsets in section 256N.26, subdivision 11, or a lesser negotiated amount if agreed to by the prospective adoptive parents and specified in that agreement, unless the child is identified as at-risk or the adoption assistance agreement is entered into when a child is under the age of six;

(2) ~~for an at-risk child who must be assigned level A as outlined in section 256N.26 and receive the special at-risk monthly payment under section 256N.26, subdivision 7, no payment will be made~~ unless and until the potential disability manifests itself, as documented by an appropriate professional, and the commissioner authorizes commencement of payment by modifying the agreement accordingly;

(3) the amount of the monthly payment for an adoption assistance agreement for a child under the age of six, other than an at-risk child, must be as specified in section 256N.26, subdivision 5;

(4) for a child who is in the guardianship assistance program immediately prior to adoptive placement, the initial amount of the adoption assistance payment must be equivalent to the guardianship assistance payment in effect at the time that the adoption assistance agreement is signed or a lesser amount if agreed to by the prospective adoptive parent and specified in that agreement, unless the child is identified as an at-risk child; and

(5) for a child who is not in foster care placement or the guardianship assistance program immediately prior to adoptive placement or negotiation of the adoption assistance agreement, the initial amount of the adoption assistance agreement must be determined using the assessment tool and process in this section and the corresponding payment amount outlined in section 256N.26.

Sec. 15. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 3, is amended to read:

Subd. 3. **Renegotiation of agreement.** (a) A relative custodian or adoptive parent of a child with a guardianship assistance or adoption assistance agreement may request renegotiation of the agreement when there is a change in the needs of the child or in the family's circumstances. When a relative custodian or adoptive parent requests renegotiation of the agreement, a reassessment of the child must be completed consistent with section 256N.24, subdivisions 9 and 10. If the reassessment indicates that the child's level has changed, the financially responsible agency or, if there is no financially responsible agency, the agency designated by the commissioner or the commissioner's designee, and the caregiver must renegotiate the agreement to include a payment with the level determined through the reassessment process. The agreement must not be renegotiated unless the commissioner, the financially responsible agency, and the caregiver mutually agree to the changes. The effective date of any renegotiated agreement must be determined by the commissioner.

(b) ~~A relative custodian or An~~ adoptive parent of an at-risk child with ~~a guardianship assistance or an~~ adoption assistance agreement may request renegotiation of the agreement to include a monthly payment ~~higher than the special at-risk monthly payment~~ under section 256N.26, subdivision 7, if the caregiver has written documentation from a qualified expert that the potential disability upon which eligibility for the agreement was based has manifested itself. Documentation of the disability must be limited to evidence deemed appropriate by the commissioner. Prior to renegotiating the agreement, a reassessment of the child must be conducted as outlined in section 256N.24, subdivision 9. The reassessment must be used to renegotiate the agreement to include an appropriate monthly payment. The agreement must not be renegotiated unless the commissioner, the financially responsible agency, and the caregiver mutually agree to the changes. The effective date of any renegotiated agreement must be determined by the commissioner.

(c) Renegotiation of a guardianship assistance or adoption assistance agreement is required when one of the circumstances outlined in section 256N.26, subdivision 13, occurs.

Sec. 16. Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 1, is amended to read:

Subdivision 1. **Benefits.** (a) There are three benefits under Northstar Care for Children: medical assistance, basic payment, and supplemental difficulty of care payment.

(b) A child is eligible for medical assistance under subdivision 2.

(c) A child is eligible for the basic payment under subdivision 3, except for a child assigned level A under section 256N.24, subdivision 1, because the child is determined to be an at-risk child receiving ~~guardianship assistance or adoption assistance.~~

(d) A child, including a foster child age 18 to 21, is eligible for an additional supplemental difficulty of care payment under subdivision 4, as determined by the assessment under section 256N.24.

(e) An eligible child entering guardianship assistance or adoption assistance under the age of six receives a basic payment and supplemental difficulty of care payment as specified in subdivision 5.

(f) A child transitioning in from a pre-Northstar Care for Children program under section 256N.28, subdivision 7, shall receive basic and difficulty of care supplemental payments according to those provisions.

Sec. 17. Minnesota Statutes 2013 Supplement, section 256N.27, subdivision 4, is amended to read:

Subd. 4. **Nonfederal share.** (a) The commissioner shall establish a percentage share of the maintenance payments, reduced by federal reimbursements under title IV-E of the Social Security Act, to be paid by the state and to be paid by the financially responsible agency.

(b) These state and local shares must initially be calculated based on the ratio of the average appropriate expenditures made by the state and all financially responsible agencies during calendar years 2011, 2012, 2013, and 2014. For purposes of this calculation, appropriate expenditures for the financially responsible agencies must include basic and difficulty of care payments for foster care reduced by federal reimbursements, but not including any initial clothing allowance, administrative payments to child care agencies specified in section 317A.907, child care, or other support or ancillary expenditures. For purposes of this calculation, appropriate expenditures for the state shall include adoption assistance and relative custody assistance, reduced by federal reimbursements.

(c) For each of the periods January 1, 2015, to June 30, 2016, and fiscal years 2017, 2018, and 2019, the commissioner shall adjust this initial percentage of state and local shares to reflect the relative expenditure trends during calendar years 2011, 2012, 2013, and 2014, taking into account appropriations for Northstar Care for Children and the turnover rates of the components. In making these adjustments, the commissioner's goal shall be to make these state and local expenditures other than the appropriations for Northstar Care for Children to be the same as they would have been had Northstar Care for Children not been implemented, or if that is not possible, proportionally higher or lower, as appropriate. Except for adjustments so that the costs of the phase-in are borne by the state, the state and local share percentages for fiscal year 2019 must be used for all subsequent years.

Sec. 18. Minnesota Statutes 2012, section 257.85, subdivision 11, is amended to read:

Subd. 11. **Financial considerations.** (a) Payment of relative custody assistance under a relative custody assistance agreement is subject to the availability of state funds and payments may be reduced or suspended on order of the commissioner if insufficient funds are available.

~~(b) Upon receipt from a local agency of a claim for reimbursement, the commissioner shall reimburse the local agency in an amount equal to 100 percent of the relative custody assistance payments provided to relative custodians. The A local agency may not seek and the commissioner shall not provide reimbursement for the administrative costs associated with performing the duties described in subdivision 4.~~

(c) For the purposes of determining eligibility or payment amounts under MFIP, relative custody assistance payments shall be excluded in determining the family's available income.

(d) For expenditures made on or before December 31, 2014, upon receipt from a local agency of a claim for reimbursement, the commissioner shall reimburse the local agency in an amount equal to 100 percent of the relative custody assistance payments provided to relative custodians.

(e) For expenditures made on or after January 1, 2015, upon receipt from a local agency of a claim for reimbursement, the commissioner shall reimburse the local agency as part of the Northstar Care for Children fiscal reconciliation process under section 256N.27.

Sec. 19. Minnesota Statutes 2012, section 260C.212, subdivision 1, is amended to read:

Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan shall be prepared within 30 days after any child is placed in foster care by court order or a voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D.

(b) An out-of-home placement plan means a written document which is prepared by the responsible social services agency jointly with the parent or parents or guardian of the child and in consultation with the child's guardian ad litem, the child's tribe, if the child is an Indian child, the child's foster parent or representative of the foster care facility, and, where appropriate, the child. For a child in voluntary foster care for treatment under chapter 260D, preparation of the out-of-home placement plan shall additionally include the child's mental health treatment provider. As appropriate, the plan shall be:

(1) submitted to the court for approval under section 260C.178, subdivision 7;

(2) ordered by the court, either as presented or modified after hearing, under section 260C.178, subdivision 7, or 260C.201, subdivision 6; and

(3) signed by the parent or parents or guardian of the child, the child's guardian ad litem, a representative of the child's tribe, the responsible social services agency, and, if possible, the child.

(c) The out-of-home placement plan shall be explained to all persons involved in its implementation, including the child who has signed the plan, and shall set forth:

(1) a description of the foster care home or facility selected, including how the out-of-home placement plan is designed to achieve a safe placement for the child in the least restrictive, most family-like, setting available which is in close proximity to the home of the parent or parents or guardian of the child when the case plan goal is reunification, and how the placement is consistent with the best interests and special needs of the child according to the factors under subdivision 2, paragraph (b);

(2) the specific reasons for the placement of the child in foster care, and when reunification is the plan, a description of the problems or conditions in the home of the parent or parents which necessitated removal of the child from home and the changes the parent or parents must make in order for the child to safely return home;

(3) a description of the services offered and provided to prevent removal of the child from the home and to reunify the family including:

(i) the specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (2), and the time period during which the actions are to be taken; and

(ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made to achieve a safe and stable home for the child including social and other supportive services to be provided or offered to the parent or parents or guardian of the child, the child, and the residential facility during the period the child is in the residential facility;

(4) a description of any services or resources that were requested by the child or the child's parent, guardian, foster parent, or custodian since the date of the child's placement in the residential facility, and whether those services or resources were provided and if not, the basis for the denial of the services or resources;

(5) the visitation plan for the parent or parents or guardian, other relatives as defined in section 260C.007, subdivision 27, and siblings of the child if the siblings are not placed together in foster care, and whether visitation is consistent with the best interest of the child, during the period the child is in foster care;

(6) when a child cannot return to or be in the care of either parent, documentation of steps to finalize the permanency plan for the child, including:

~~(i) reasonable efforts to place the child for adoption or legal guardianship of the child if the court has issued an order terminating the rights of both parents of the child or of the only known, living parent of the child. At a minimum, the documentation must include consideration of whether adoption is in the best interests of the child,~~ child-specific recruitment efforts such as relative search and the use of state, regional, and national adoption exchanges to facilitate orderly and timely placements in and outside of the state. A copy of this documentation shall be provided to the court in the review required under section 260C.317, subdivision 3, paragraph (b); and

~~(ii) documentation necessary to support the requirements of the kinship placement agreement under section 256N.22 when adoption is determined not to be in the child's best interest;~~

(7) efforts to ensure the child's educational stability while in foster care, including:

(i) efforts to ensure that the child remains in the same school in which the child was enrolled prior to placement or upon the child's move from one placement to another, including efforts to work with the local education authorities to ensure the child's educational stability; or

(ii) if it is not in the child's best interest to remain in the same school that the child was enrolled in prior to placement or move from one placement to another, efforts to ensure immediate and appropriate enrollment for the child in a new school;

(8) the educational records of the child including the most recent information available regarding:

(i) the names and addresses of the child's educational providers;

(ii) the child's grade level performance;

(iii) the child's school record;

(iv) a statement about how the child's placement in foster care takes into account proximity to the school in which the child is enrolled at the time of placement; and

(v) any other relevant educational information;

(9) the efforts by the local agency to ensure the oversight and continuity of health care services for the foster child, including:

(i) the plan to schedule the child's initial health screens;

(ii) how the child's known medical problems and identified needs from the screens, including any known communicable diseases, as defined in section 144.4172, subdivision 2, will be monitored and treated while the child is in foster care;

(iii) how the child's medical information will be updated and shared, including the child's immunizations;

(iv) who is responsible to coordinate and respond to the child's health care needs, including the role of the parent, the agency, and the foster parent;

(v) who is responsible for oversight of the child's prescription medications;

(vi) how physicians or other appropriate medical and nonmedical professionals will be consulted and involved in assessing the health and well-being of the child and determine the appropriate medical treatment for the child; and

(vii) the responsibility to ensure that the child has access to medical care through either medical insurance or medical assistance;

(10) the health records of the child including information available regarding:

(i) the names and addresses of the child's health care and dental care providers;

(ii) a record of the child's immunizations;

(iii) the child's known medical problems, including any known communicable diseases as defined in section 144.4172, subdivision 2;

(iv) the child's medications; and

(v) any other relevant health care information such as the child's eligibility for medical insurance or medical assistance;

(11) an independent living plan for a child age 16 or older. The plan should include, but not be limited to, the following objectives:

(i) educational, vocational, or employment planning;

(ii) health care planning and medical coverage;

(iii) transportation including, where appropriate, assisting the child in obtaining a driver's license;

(iv) money management, including the responsibility of the agency to ensure that the youth annually receives, at no cost to the youth, a consumer report as defined under section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;

- (v) planning for housing;
- (vi) social and recreational skills; and
- (vii) establishing and maintaining connections with the child's family and community; and

(12) for a child in voluntary foster care for treatment under chapter 260D, diagnostic and assessment information, specific services relating to meeting the mental health care needs of the child, and treatment outcomes.

(d) The parent or parents or guardian and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social services agency in preparation of the case plan.

After the plan has been agreed upon by the parties involved or approved or ordered by the court, the foster parents shall be fully informed of the provisions of the case plan and shall be provided a copy of the plan.

Upon discharge from foster care, the parent, adoptive parent, or permanent legal and physical custodian, as appropriate, and the child, if appropriate, must be provided with a current copy of the child's health and education record.

Sec. 20. Minnesota Statutes 2012, section 260C.515, subdivision 4, is amended to read:

Subd. 4. **Custody to relative.** The court may order permanent legal and physical custody to a fit and willing relative in the best interests of the child according to the following ~~conditions~~ requirements:

(1) an order for transfer of permanent legal and physical custody to a relative shall only be made after the court has reviewed the suitability of the prospective legal and physical custodian;

(2) in transferring permanent legal and physical custody to a relative, the juvenile court shall follow the standards applicable under this chapter and chapter 260, and the procedures in the Minnesota Rules of Juvenile Protection Procedure;

(3) a transfer of legal and physical custody includes responsibility for the protection, education, care, and control of the child and decision making on behalf of the child;

(4) a permanent legal and physical custodian may not return a child to the permanent care of a parent from whom the court removed custody without the court's approval and without notice to the responsible social services agency;

(5) the social services agency may file a petition naming a fit and willing relative as a proposed permanent legal and physical custodian. A petition for transfer of permanent legal and physical custody to a relative who is not a parent shall be accompanied by a kinship placement agreement under section 256N.22, subdivision 2, between the agency and proposed permanent legal and physical custodian;

(6) another party to the permanency proceeding regarding the child may file a petition to transfer permanent legal and physical custody to a relative, ~~but the~~. The petition must include facts upon which the court can make the determination required under clause (7) and must be filed not later than the date for the required admit-deny hearing under section 260C.507; or if the agency's petition is filed under section 260C.503, subdivision 2, the petition must be filed not later than 30 days prior to the trial required under section 260C.509; ~~and~~

(7) where a petition is for transfer of permanent legal and physical custody to a relative who is not a parent, the court must find that:

(i) transfer of permanent legal and physical custody and receipt of Northstar kinship assistance under chapter 256N, when requested and the child is eligible, is in the child's best interests;

(ii) adoption is not in the child's best interests based on the determinations in the kinship placement agreement required under section 256N.22, subdivision 2;

(iii) the agency made efforts to discuss adoption with the child's parent or parents, or the agency did not make efforts to discuss adoption and the reasons why efforts were not made; and

(iv) there are reasons to separate siblings during placement, if applicable;

(8) the court may defer finalization of an order transferring permanent legal and physical custody to a relative when deferring finalization is necessary to determine eligibility for Northstar kinship assistance under chapter 256N;

(9) the court may finalize a permanent transfer of physical and legal custody to a relative regardless of eligibility for Northstar kinship assistance under chapter 256N; and

~~(7)~~ (10) the juvenile court may maintain jurisdiction over the responsible social services agency, the parents or guardian of the child, the child, and the permanent legal and physical custodian for purposes of ensuring appropriate services are delivered to the child and permanent legal custodian for the purpose of ensuring conditions ordered by the court related to the care and custody of the child are met.

Sec. 21. Minnesota Statutes 2012, section 260C.611, is amended to read:

260C.611 ADOPTION STUDY REQUIRED.

(a) An adoption study under section 259.41 approving placement of the child in the home of the prospective adoptive parent shall be completed before placing any child under the guardianship of the commissioner in a home for adoption. If a prospective adoptive parent has a current child foster care license under chapter 245A and is seeking to adopt a foster child who is placed in the prospective adoptive parent's home and is under the guardianship of the commissioner according to section 260C.325, subdivision 1, the child foster care home study meets the requirements of this section for an approved adoption home study if:

(1) the written home study on which the foster care license was based is completed in the commissioner's designated format, consistent with the requirements in sections 260C.215, subdivision 4, clause (5); and 259.41, subdivision 2; and Minnesota Rules, part 2960.3060, subpart 4;

(2) the background studies on each prospective adoptive parent and all required household members were completed according to section 245C.33;

(3) the commissioner has not issued, within the last three years, a sanction on the license under section 245A.07 or an order of a conditional license under section 245A.06; and

(4) the legally responsible agency determines that the individual needs of the child are being met by the prospective adoptive parent through an assessment under section 256N.24, subdivision 2, or a documented placement decision consistent with section 260C.212, subdivision 2.

(b) If a prospective adoptive parent has previously held a foster care license or adoptive home study, any update necessary to the foster care license, or updated or new adoptive home study, if not completed by the licensing authority responsible for the previous license or home study, shall include collateral information from the previous licensing or approving agency, if available.

Sec. 22. Laws 2013, chapter 108, article 3, section 48, is amended to read:

Sec. 48. **REPEALER.**

(a) Minnesota Statutes 2012, section 256J.24, subdivision 6, is repealed ~~January~~ July 1, 2015 2014.

(b) Minnesota Statutes 2012, section 609.093, is repealed effective the day following final enactment.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 23. **PARENT AWARE QUALITY RATING AND IMPROVEMENT SYSTEM ACCESSIBILITY REPORT.**

Subdivision 1. **Recommendations.** The commissioner of human services, in consultation with representatives from the child care and early childhood advocacy community, child care provider organizations, child care providers, organizations administering Parent Aware, the Departments of Education and Health, counties, and parents, shall make recommendations to the legislature on increasing statewide accessibility for child care providers to the Parent Aware quality rating and improvement system and for increasing access to Parent Aware-rated programs for families with children. The recommendations must address the following factors impacting accessibility:

(1) availability of rated and nonrated programs by child care provider type, within rural and underserved areas, and for different cultural and non-English-speaking groups;

(2) time and resources necessary for child care providers to participate in Parent Aware at various rating levels, including cultural and linguistic considerations;

(3) federal child care development fund regulations; and

(4) other factors as determined by the commissioner.

Subd. 2. **Report.** By February 15, 2015, the commissioner of human services shall report to the legislative committees with jurisdiction over the child care assistance programs and the Parent Aware quality rating and improvement system with recommendations to increase access for families and child care providers to Parent Aware, including benchmarks for achieving the maximum participation in Parent Aware-rated child care programs by families receiving child care assistance.

The recommendations may also include, but are not limited to, potential modifications to Minnesota Statutes, sections 119B.09, subdivision 5; and 119B.125, subdivision 1, if necessary, which may include a delayed effective date, different phase-in process, or repealer.

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

Sec. 24. **DIRECTION TO COMMISSIONER.**

The commissioner of human services shall implement the repeal of the MFIP family cap July 1, 2014. The commissioner shall make every effort to complete systems modifications by that date. If systems modifications cannot be completed in time, the commissioner shall implement a manual procedure to implement the change.

Sec. 25. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the term "guardianship assistance" to "Northstar kinship assistance" wherever it appears in Minnesota Statutes and Minnesota Rules to refer to the program components related to Northstar Care for Children under Minnesota Statutes, chapter 256N.

Sec. 26. **REPEALER.**

Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 7, is repealed.

ARTICLE 26
COMMUNITY FIRST SERVICES AND SUPPORTS

Section 1. Minnesota Statutes 2012, section 245C.03, is amended by adding a subdivision to read:

Subd. 8. **Community first services and supports organizations.** The commissioner shall conduct background studies on any individual required under section 256B.85 to have a background study completed under this chapter.

Sec. 2. Minnesota Statutes 2012, section 245C.04, is amended by adding a subdivision to read:

Subd. 7. **Community first services and supports organizations.** (a) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 8, at least upon application for initial enrollment under section 256B.85.

(b) Before an individual described in section 245C.03, subdivision 8, begins a position allowing direct contact with a person served by an organization required to initiate a background study under section 256B.85, the organization must receive a notice from the commissioner that the support worker is:

(1) not disqualified under section 245C.14; or

(2) disqualified, but the individual has received a set-aside of the disqualification under section 245C.22.

Sec. 3. Minnesota Statutes 2012, section 245C.10, is amended by adding a subdivision to read:

Subd. 10. **Community first services and supports organizations.** The commissioner shall recover the cost of background studies initiated by an agency-provider delivering services under section 256B.85, subdivision 11, or a financial management services contractor providing service functions under section 256B.85, subdivision 13, through a fee of no more than \$20 per study, charged to the organization responsible for submitting the background study form. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 4. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Activities of daily living" or "ADLs" means eating, toileting, grooming, dressing, bathing, mobility, positioning, and transferring.

(c) "Agency-provider model" means a method of CFSS under which a qualified agency provides services and supports through the agency's own employees and policies. The agency must allow the participant to have a significant role in the selection and dismissal of support workers of their choice for the delivery of their specific services and supports.

(d) "Behavior" means a description of a need for services and supports used to determine the home care rating and additional service units. The presence of Level I behavior is used to determine the home care rating. "Level I behavior" means physical aggression towards self or others or destruction of property that requires the immediate response of another person. If qualified for a home care rating as described in subdivision 8, additional service units can be added as described in subdivision 8, paragraph (f), for the following behaviors:

(1) Level I behavior;

(2) increased vulnerability due to cognitive deficits or socially inappropriate behavior; or

(3) increased need for assistance for ~~recipients~~ participants who are verbally aggressive or resistive to care so that time needed to perform activities of daily living is increased.

(e) "Budget model" means a service delivery method of CFSS that allows the use of a service budget and assistance from a vendor fiscal/employer agent financial management services (FMS) contractor for a participant to directly employ support workers and purchase supports and goods.

~~(e)~~ (f) "Complex health-related needs" means an intervention listed in clauses (1) to (8) that has been ordered by a physician, and is specified in a community support plan, including:

(1) tube feedings requiring:

(i) a gastrojejunostomy tube; or

(ii) continuous tube feeding lasting longer than 12 hours per day;

(2) wounds described as:

(i) stage III or stage IV;

(ii) multiple wounds;

(iii) requiring sterile or clean dressing changes or a wound vac; or

(iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require specialized care;

(3) parenteral therapy described as:

(i) IV therapy more than two times per week lasting longer than four hours for each treatment; or

(ii) total parenteral nutrition (TPN) daily;

(4) respiratory interventions, including:

(i) oxygen required more than eight hours per day;

- (ii) respiratory vest more than one time per day;
- (iii) bronchial drainage treatments more than two times per day;
- (iv) sterile or clean suctioning more than six times per day;
- (v) dependence on another to apply respiratory ventilation augmentation devices such as BiPAP and CPAP; and
- (vi) ventilator dependence under section 256B.0652;
- (5) insertion and maintenance of catheter, including:
 - (i) sterile catheter changes more than one time per month;
 - (ii) clean intermittent catheterization, and including self-catheterization more than six times per day; or
 - (iii) bladder irrigations;
- (6) bowel program more than two times per week requiring more than 30 minutes to perform each time;
- (7) neurological intervention, including:
 - (i) seizures more than two times per week and requiring significant physical assistance to maintain safety; or
 - (ii) swallowing disorders diagnosed by a physician and requiring specialized assistance from another on a daily basis; and
- (8) other congenital or acquired diseases creating a need for significantly increased direct hands-on assistance and interventions in six to eight activities of daily living.

~~(g)~~ (g) "Community first services and supports" or "CFSS" means the assistance and supports program under this section needed for accomplishing activities of daily living, instrumental activities of daily living, and health-related tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task, or the purchase of goods as defined in subdivision 7, ~~paragraph (a)~~, clause (3), that replace the need for human assistance.

~~(g)~~ (h) "Community first services and supports service delivery plan" or "service delivery plan" means a written ~~summary of document detailing~~ the services and supports chosen by the participant to meet assessed needs that is are within the approved CFSS service authorization amount. Services and supports are based on the community support plan identified in section 256B.0911 and coordinated services and support plan and budget identified in section 256B.0915, subdivision 6, if applicable, that is determined by the participant to meet the assessed needs, using a person-centered planning process.

(i) "Consultation services" means a Minnesota health care program enrolled provider organization that is under contract with the department and has the knowledge, skills, and ability to assist CFSS participants in using either the agency-provider model under subdivision 11 or the budget model under subdivision 13.

~~(h)~~ (j) "Critical activities of daily living" means transferring, mobility, eating, and toileting.

(k) "Dependency" in activities of daily living means a person requires hands-on assistance or constant supervision and cueing to accomplish one or more of the activities of daily living every day or on the days during the week that the activity is performed; however, a child may not be found to be dependent in an activity of daily living if, because of the child's age, an adult would either perform the activity for the child or assist the child with the activity and the assistance needed is the assistance appropriate for a typical child of the same age.

(l) "Extended CFSS" means CFSS services and supports ~~under the agency provider model~~ included in a service plan through one of the home and community-based services waivers and as approved and authorized under sections 256B.0915; 256B.092, subdivision 5; and 256B.49, which exceed the amount, duration, and frequency of the state plan CFSS services for participants.

(m) "Financial management services contractor or vendor" or "FMS contractor" means a qualified organization ~~having necessary to use the budget model under subdivision 13 that has~~ a written contract with the department to provide vendor fiscal/employer agent financial management services necessary to use the budget model under subdivision 13 that (FMS). Services include but are not limited to: participant education and technical assistance; CFSS service delivery planning and budgeting; filing and payment of federal and state payroll taxes on behalf of the participant; initiating criminal background checks; billing, making payments, and for approved CFSS services with authorized funds; monitoring of spending expenditures; accounting for and disbursing CFSS funds; providing assistance in obtaining and filing for liability, workers' compensation, and unemployment coverage; and assisting participant instruction and technical assistance to the participant in fulfilling employer-related requirements in accordance with Section 3504 of the Internal Revenue Code and the Internal Revenue Service Revenue Procedure 70-6 related regulations and interpretations, including Code of Federal Regulations, title 26, section 31.3504-1.

(n) "~~Budget model~~" means ~~a service delivery method of CFSS that allows the use of an individualized CFSS service delivery plan and service budget and provides assistance from the financial management services contractor to facilitate participant employment of support workers and the acquisition of supports and goods.~~

(o) "Health-related procedures and tasks" means procedures and tasks related to the specific needs of an individual that can be ~~delegated~~ taught or assigned by a state-licensed healthcare or mental health professional and performed by a support worker.

(p) "Instrumental activities of daily living" means activities related to living independently in the community, including but not limited to: meal planning, preparation, and cooking; shopping for food, clothing, or other essential items; laundry; housecleaning; assistance with medications; managing finances; communicating needs and preferences during activities; arranging supports; and assistance with traveling around and participating in the community.

(q) "Legal representative" means parent of a minor, a court-appointed guardian, or another representative with legal authority to make decisions about services and supports for the participant. Other representatives with legal authority to make decisions include but are not limited to a health care agent or an attorney-in-fact authorized through a health care directive or power of attorney.

(r) "Medication assistance" means providing verbal or visual reminders to take regularly scheduled medication, and includes any of the following supports listed in clauses (1) to (3) and other types of assistance, except that a support worker may not determine medication dose or time for medication or inject medications into veins, muscles, or skin:

(1) under the direction of the participant or the participant's representative, bringing medications to the participant including medications given through a nebulizer, opening a container of previously set-up medications, emptying the container into the participant's hand, opening and giving the medication in the original container to the participant, or bringing to the participant liquids or food to accompany the medication;

- (2) organizing medications as directed by the participant or the participant's representative; and
- (3) providing verbal or visual reminders to perform regularly scheduled medications.

~~(q)~~ (r) "Participant's representative" means a parent, family member, advocate, or other adult authorized by the participant to serve as a representative in connection with the provision of CFSS. This authorization must be in writing or by another method that clearly indicates the participant's free choice. The participant's representative must have no financial interest in the provision of any services included in the participant's service delivery plan and must be capable of providing the support necessary to assist the participant in the use of CFSS. If through the assessment process described in subdivision 5 a participant is determined to be in need of a participant's representative, one must be selected. If the participant is unable to assist in the selection of a participant's representative, the legal representative shall appoint one. Two persons may be designated as a participant's representative for reasons such as divided households and court-ordered custodies. Duties of a participant's representatives may include:

- (1) being available while ~~care is~~ services are provided in a method agreed upon by the participant or the participant's legal representative and documented in the participant's CFSS service delivery plan;
- (2) monitoring CFSS services to ensure the participant's CFSS service delivery plan is being followed; and
- (3) reviewing and signing CFSS time sheets after services are provided to provide verification of the CFSS services.

~~(r)~~ (s) "Person-centered planning process" means a process that is directed by the participant to plan for services and supports. The person-centered planning process must:

- (1) include people chosen by the participant;
- (2) provide necessary information and support to ensure that the participant directs the process to the maximum extent possible, and is enabled to make informed choices and decisions;
- (3) be timely and occur at time and locations of convenience to the participant;
- (4) reflect cultural considerations of the participant;
- (5) include strategies for solving conflict or disagreement within the process, including clear conflict-of-interest guidelines for all planning;
- (6) provide the participant choices of the services and supports they receive and the staff providing those services and supports;
- (7) include a method for the participant to request updates to the plan; and
- (8) record the alternative home and community-based settings that were considered by the participant.

~~(s)~~ (t) "Shared services" means the provision of CFSS services by the same CFSS support worker to two or three participants who voluntarily enter into an agreement to receive services at the same time and in the same setting by the same ~~provider~~ employer.

~~(t) "Support specialist" means a professional with the skills and ability to assist the participant using either the agency provider model under subdivision 11 or the flexible spending model under subdivision 13, in services including but not limited to assistance regarding:~~

- ~~(1) the development, implementation, and evaluation of the CFSS service delivery plan under subdivision 6;~~
- ~~(2) recruitment, training, or supervision, including supervision of health related tasks or behavioral supports appropriately delegated or assigned by a health care professional, and evaluation of support workers; and~~
- ~~(3) facilitating the use of informal and community supports, goods, or resources.~~

(u) "Support worker" means ~~an~~ a qualified and trained employee of the ~~agency provider~~ agency-provider or of the participant employer under the budget model who has direct contact with the participant and provides services as specified within the participant's service delivery plan.

(v) "Wages and benefits" means the hourly wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, contributions to employee retirement accounts, or other forms of employee compensation and benefits.

(w) "Worker training and development" means services for developing workers' skills as required by the participant's individual CFSS delivery plan that are arranged for or provided by the agency-provider or purchased by the participant employer. These services include training, education, direct observation and supervision, and evaluation and coaching of job skills and tasks, including supervision of health-related tasks or behavioral supports.

Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) CFSS is available to a person who meets one of the following:

- (1) is ~~a recipient~~ an enrollee of medical assistance as determined under section 256B.055, 256B.056, or 256B.057, subdivisions 5 and 9;
- (2) is a ~~recipient of participant in~~ participant in the alternative care program under section 256B.0913;
- (3) is a waiver ~~recipient~~ participant as defined under section 256B.0915, 256B.092, 256B.093, or 256B.49; or
- (4) has medical services identified in a participant's individualized education program and is eligible for services as determined in section 256B.0625, subdivision 26.

(b) In addition to meeting the eligibility criteria in paragraph (a), a person must also meet all of the following:

- (1) require assistance and be determined dependent in one activity of daily living or Level I behavior based on assessment under section 256B.0911; and
- (2) is not a ~~recipient of participant under~~ participant under a family support grant under section 252.32~~;~~;
- ~~(3) lives in the person's own apartment or home including a family foster care setting licensed under chapter 245A, but not in corporate foster care under chapter 245A; or a noncertified boarding care home or a boarding and lodging establishment under chapter 157.~~

Sec. 6. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 5, is amended to read:

Subd. 5. **Assessment requirements.** (a) The assessment of functional need must:

(1) be conducted by a certified assessor according to the criteria established in section 256B.0911, subdivision 3a;

(2) be conducted face-to-face, initially and at least annually thereafter, or when there is a significant change in the participant's condition or a change in the need for services and supports, or at the request of the participant when the participant experiences a change in condition or needs a change in services or supports; and

(3) be completed using the format established by the commissioner.

~~(b) A participant who is residing in a facility may be assessed and choose CFSS for the purpose of using CFSS to return to the community as described in subdivisions 3 and 7, paragraph (a), clause (5).~~

~~(e)~~ (b) The results of the assessment and any recommendations and authorizations for CFSS must be determined and communicated in writing by the lead agency's certified assessor as defined in section 256B.0911 to the participant and the agency-provider or ~~financial management services provider~~ FMS contractor chosen by the participant within 40 calendar days and must include the participant's right to appeal under section 256.045, subdivision 3.

~~(d)~~ (c) The lead agency assessor may ~~request~~ authorize a temporary authorization for CFSS services to be provided under the agency-provider model. Authorization for a temporary level of CFSS services under the agency-provider model is limited to the time specified by the commissioner, but shall not exceed 45 days. The level of services authorized under this ~~provision~~ paragraph shall have no bearing on a future authorization.

Sec. 7. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 6, is amended to read:

Subd. 6. **Community first services and support service delivery plan.** (a) The CFSS service delivery plan must be developed, ~~implemented,~~ and evaluated through a person-centered planning process by the participant, or the participant's representative or legal representative who may be assisted by a ~~support specialist~~ consultation services provider. The CFSS service delivery plan must reflect the services and supports that are important to the participant and for the participant to meet the needs assessed by the certified assessor and identified in the community support plan under section 256B.0911, subdivision 3, or the coordinated services and support plan identified in section 256B.0915, subdivision 6, if applicable. The CFSS service delivery plan must be reviewed by the participant, the consultation services provider, and the agency-provider or ~~financial management services~~ FMS contractor prior to starting services and at least annually upon reassessment, or when there is a significant change in the participant's condition, or a change in the need for services and supports.

(b) The commissioner shall establish the format and criteria for the CFSS service delivery plan.

(c) The CFSS service delivery plan must be person-centered and:

(1) specify the consultation services provider, agency-provider, or ~~financial management services~~ FMS contractor selected by the participant;

(2) reflect the setting in which the participant resides that is chosen by the participant;

(3) reflect the participant's strengths and preferences;

(4) include the means to address the clinical and support needs as identified through an assessment of functional needs;

(5) include individually identified goals and desired outcomes;

(6) reflect the services and supports, paid and unpaid, that will assist the participant to achieve identified goals, including the costs of the services and supports, and the providers of those services and supports, including natural supports;

(7) identify the amount and frequency of face-to-face supports and amount and frequency of remote supports and technology that will be used;

(8) identify risk factors and measures in place to minimize them, including individualized backup plans;

(9) be understandable to the participant and the individuals providing support;

(10) identify the individual or entity responsible for monitoring the plan;

(11) be finalized and agreed to in writing by the participant and signed by all individuals and providers responsible for its implementation;

(12) be distributed to the participant and other people involved in the plan; ~~and~~

(13) prevent the provision of unnecessary or inappropriate care;

(14) include a detailed budget for expenditures for budget model participants or participants under the agency-provider model if purchasing goods; and

(15) include a plan for worker training and development detailing what service components will be used, when the service components will be used, how they will be provided, and how these service components relate to the participant's individual needs and CFSS support worker services.

(d) The total units of agency-provider services or the service budget ~~allocation~~ amount for the budget model include both annual totals and a monthly average amount that cover the number of months of the service authorization. The amount used each month may vary, but additional funds must not be provided above the annual service authorization amount unless a change in condition is assessed and authorized by the certified assessor and documented in the community support plan, coordinated services and supports plan, and CFSS service delivery plan.

(e) In assisting with the development or modification of the plan during the authorization time period, the consultation services provider shall:

(1) consult with the FMS contractor on the spending budget when applicable; and

(2) consult with the participant or participant's representative, agency-provider, and case manager/care coordinator.

(f) The service plan must be approved by the consultation services provider for participants without a case manager/care coordinator. A case manager/care coordinator must approve the plan for a waiver or alternative care program participant.

Sec. 8. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 7, is amended to read:

Subd. 7. **Community first services and supports; covered services.** Within the service unit authorization or service budget ~~allocation~~ amount, services and supports covered under CFSS include:

(1) assistance to accomplish activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related procedures and tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task;

(2) assistance to acquire, maintain, or enhance the skills necessary for the participant to accomplish activities of daily living, instrumental activities of daily living, or health-related tasks;

(3) expenditures for items, services, supports, environmental modifications, or goods, including assistive technology. These expenditures must:

(i) relate to a need identified in a participant's CFSS service delivery plan;

(ii) increase independence or substitute for human assistance to the extent that expenditures would otherwise be made for human assistance for the participant's assessed needs;

(4) observation and redirection for behavior or symptoms where there is a need for assistance. An assessment of behaviors must meet the criteria in this clause. A ~~recipient~~ participant qualifies as having a need for assistance due to behaviors if the ~~recipient's~~ participant's behavior requires assistance at least four times per week and shows one or more of the following behaviors:

(i) physical aggression towards self or others, or destruction of property that requires the immediate response of another person;

(ii) increased vulnerability due to cognitive deficits or socially inappropriate behavior; or

(iii) increased need for assistance for ~~recipients~~ participants who are verbally aggressive or resistive to care so that time needed to perform activities of daily living is increased;

(5) back-up systems or mechanisms, such as the use of pagers or other electronic devices, to ensure continuity of the participant's services and supports;

~~(6) transition costs, including:~~

~~(i) deposits for rent and utilities;~~

~~(ii) first month's rent and utilities;~~

~~(iii) bedding;~~

~~(iv) basic kitchen supplies;~~

~~(v) other necessities, to the extent that these necessities are not otherwise covered under any other funding that the participant is eligible to receive; and~~

~~(vi) other required necessities for an individual to make the transition from a nursing facility, institution for mental diseases, or intermediate care facility for persons with developmental disabilities to a community-based home setting where the participant resides; and~~

~~(7) (6) services provided by a support specialist consultation services provider under contract with the department and enrolled as a Minnesota health care program provider as defined under subdivision 2 that are chosen by the participant. 17;~~

(7) services provided by an FMS contractor under contract with the department as defined under subdivision 13;

(8) CFSS services provided by a qualified support worker who is a parent, stepparent, or legal guardian of a participant under age 18, or who is the participant's spouse. These support workers shall not provide any medical assistance home and community-based services in excess of 40 hours per seven-day period regardless of the number of parents, combination of parents and spouses, or number of children who receive medical assistance services; and

(9) worker training and development services as defined in subdivision 2, paragraph (w), and described in subdivision 18a.

Sec. 9. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 8, is amended to read:

Subd. 8. **Determination of CFSS service methodology.** (a) All community first services and supports must be authorized by the commissioner or the commissioner's designee before services begin, except for the assessments established in section 256B.0911. The authorization for CFSS must be completed as soon as possible following an assessment but no later than 40 calendar days from the date of the assessment.

(b) The amount of CFSS authorized must be based on the ~~recipient's~~ participant's home care rating described in paragraphs (d) and (e) and any additional service units for which the ~~person~~ participant qualifies as described in paragraph (f).

(c) The home care rating shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner identifying the following for a ~~recipient~~ participant:

- (1) the total number of dependencies of activities of daily living as defined in subdivision 2, paragraph (b);
- (2) the presence of complex health-related needs as defined in subdivision 2, paragraph (e); and
- (3) the presence of Level I behavior as defined in subdivision 2, paragraph (d), ~~clause (1).~~

(d) The methodology to determine the total service units for CFSS for each home care rating is based on the median paid units per day for each home care rating from fiscal year 2007 data for the PCA program.

(e) Each home care rating is designated by the letters P through Z and EN and has the following base number of service units assigned:

(1) P home care rating requires Level I behavior or one to three dependencies in ADLs and qualifies one for five service units;

(2) Q home care rating requires Level I behavior and one to three dependencies in ADLs and qualifies one for six service units;

(3) R home care rating requires a complex health-related need and one to three dependencies in ADLs and qualifies one for seven service units;

(4) S home care rating requires four to six dependencies in ADLs and qualifies one for ten service units;

(5) T home care rating requires four to six dependencies in ADLs and Level I behavior and qualifies one for 11 service units;

(6) U home care rating requires four to six dependencies in ADLs and a complex health-related need and qualifies one for 14 service units;

(7) V home care rating requires seven to eight dependencies in ADLs and qualifies one for 17 service units;

(8) W home care rating requires seven to eight dependencies in ADLs and Level I behavior and qualifies one for 20 service units;

(9) Z home care rating requires seven to eight dependencies in ADLs and a complex health-related need and qualifies one for 30 service units; and

(10) EN home care rating includes ventilator dependency as defined in section 256B.0651, subdivision 1, paragraph (g). ~~Recipients~~ Participants who meet the definition of ventilator-dependent and the EN home care rating and utilize a combination of CFSS and other home care services are limited to a total of 96 service units per day for those services in combination. Additional units may be authorized when a ~~recipient's~~ participant's assessment indicates a need for two staff to perform activities. Additional time is limited to 16 service units per day.

(f) Additional service units are provided through the assessment and identification of the following:

(1) 30 additional minutes per day for a dependency in each critical activity of daily living as defined in subdivision 2, paragraph ~~(h)~~ (j);

(2) 30 additional minutes per day for each complex health-related function as defined in subdivision 2, paragraph ~~(e)~~ (f); and

(3) 30 additional minutes per day for each behavior issue as defined in subdivision 2, paragraph (d).

(g) The service budget for budget model participants shall be based on:

(1) assessed units as determined by the home care rating; and

(2) an adjustment needed for administrative expenses.

Sec. 10. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 9, is amended to read:

Subd. 9. **Noncovered services.** (a) Services or supports that are not eligible for payment under this section include those that:

(1) are not authorized by the certified assessor or included in the written service delivery plan;

(2) are provided prior to the authorization of services and the approval of the written CFSS service delivery plan;

(3) are duplicative of other paid services in the written service delivery plan;

(4) supplant natural unpaid supports that appropriately meet a need in the service plan, are provided voluntarily to the participant, and are selected by the participant in lieu of other services and supports;

(5) are not effective means to meet the participant's needs; and

(6) are available through other funding sources, including, but not limited to, funding through title IV-E of the Social Security Act.

(b) Additional services, goods, or supports that are not covered include:

- (1) those that are not for the direct benefit of the participant, except that services for caregivers such as training to improve the ability to provide CFSS are considered to directly benefit the participant if chosen by the participant and approved in the support plan;
- (2) any fees incurred by the participant, such as Minnesota health care programs fees and co-pays, legal fees, or costs related to advocate agencies;
- (3) insurance, except for insurance costs related to employee coverage;
- (4) room and board costs for the participant ~~with the exception of allowable transition costs in subdivision 7, clause (6);~~
- (5) services, supports, or goods that are not related to the assessed needs;
- (6) special education and related services provided under the Individuals with Disabilities Education Act and vocational rehabilitation services provided under the Rehabilitation Act of 1973;
- (7) assistive technology devices and assistive technology services other than those for back-up systems or mechanisms to ensure continuity of service and supports listed in subdivision 7;
- (8) medical supplies and equipment covered under medical assistance;
- (9) environmental modifications, except as specified in subdivision 7;
- (10) expenses for travel, lodging, or meals related to training the participant, or the participant's representative, or legal representative, ~~or paid or unpaid caregivers that exceed \$500 in a 12-month period;~~
- (11) experimental treatments;
- (12) any service or good covered by other medical assistance state plan services, including prescription and over-the-counter medications, compounds, and solutions and related fees, including premiums and co-payments;
- (13) membership dues or costs, except when the service is necessary and appropriate to treat a ~~physical health~~ physical health condition or to improve or maintain the participant's ~~physical health~~ physical health condition. The condition must be identified in the participant's CFSS plan and monitored by a ~~physician enrolled in a Minnesota health care program~~ enrolled physician;
- (14) vacation expenses other than the cost of direct services;
- (15) vehicle maintenance or modifications not related to the disability, health condition, or physical need; ~~and~~
- (16) tickets and related costs to attend sporting or other recreational or entertainment events;
- (17) services provided and billed by a provider who is not an enrolled CFSS provider;
- (18) CFSS provided by a participant's representative or paid legal guardian;
- (19) services that are used solely as a child care or babysitting service;
- (20) services that are the responsibility or in the daily rate of a residential or program license holder under the terms of a service agreement and administrative rules;

- (21) sterile procedures;
- (22) giving of injections into veins, muscles, or skin;
- (23) homemaker services that are not an integral part of the assessed CFSS service;
- (24) home maintenance or chore services;
- (25) home care services, including hospice services if elected by the participant, covered by Medicare or any other insurance held by the participant;
- (26) services to other members of the participant's household;
- (27) services not specified as covered under medical assistance as CFSS;
- (28) application of restraints or implementation of deprivation procedures;
- (29) assessments by CFSS provider organizations or by independently enrolled registered nurses;
- (30) services provided in lieu of legally required staffing in a residential or child care setting; and
- (31) services provided by the residential or program license holder in a residence for more than four persons.

Sec. 11. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 10, is amended to read:

Subd. 10. **Provider Agency-provider and FMS contractor qualifications and, general requirements, and duties.** (a) Agency-providers delivering services under the agency-provider model under subdivision 11 or ~~financial management service (FMS)~~ FMS contractors under subdivision 13 shall:

- (1) enroll as a medical assistance Minnesota health care programs provider and meet all applicable provider standards and requirements;
- ~~(2) comply with medical assistance provider enrollment requirements;~~
- ~~(3) (2) demonstrate compliance with law federal and state laws and policies of for CFSS as determined by the commissioner;~~
- ~~(4) (3) comply with background study requirements under chapter 245C and maintain documentation of background study requests and results;~~
- ~~(5) (4) verify and maintain records of all services and expenditures by the participant, including hours worked by support workers and support specialists;~~
- ~~(6) (5) not engage in any agency-initiated direct contact or marketing in person, by telephone, or other electronic means to potential participants, guardians, family members, or participants' representatives;~~
- (6) directly provide services and not use a subcontractor or reporting agent;
- (7) meet the financial requirements established by the commissioner for financial solvency;

(8) have never had a lead agency contract or provider agreement discontinued due to fraud, or have never had an owner, board member, or manager fail a state or FBI-based criminal background check while enrolled or seeking enrollment as a Minnesota health care programs provider;

(9) have established business practices that include written policies and procedures, internal controls, and a system that demonstrates the organization's ability to deliver quality CFSS; and

(10) have an office located in Minnesota.

(b) In conducting general duties, agency-providers and FMS contractors shall:

~~(7)~~ (1) pay support workers and support specialists based upon actual hours of services provided;

(2) pay for worker training and development services based upon actual hours of services provided or the unit cost of the training session purchased;

~~(8)~~ (3) withhold and pay all applicable federal and state payroll taxes;

~~(9)~~ (4) make arrangements and pay unemployment insurance, taxes, workers' compensation, liability insurance, and other benefits, if any;

~~(10)~~ (5) enter into a written agreement with the participant, participant's representative, or legal representative that assigns roles and responsibilities to be performed before services, supports, or goods are provided using a format established by the commissioner;

~~(11)~~ (6) report maltreatment as required under sections 626.556 and 626.557; and

~~(12)~~ (7) provide the participant with a copy of the service-related rights under subdivision 20 at the start of services and supports; and

(8) comply with any data requests from the department consistent with the Minnesota Government Data Practices Act under chapter 13.

Sec. 12. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 11, is amended to read:

Subd. 11. **Agency-provider model.** (a) The agency-provider model ~~is limited to the~~ includes services provided by support workers and ~~support specialists~~ staff providing worker training and development services who are employed by an agency-provider that is licensed according to chapter 245A or meets other criteria established by the commissioner, including required training.

(b) The agency-provider shall allow the participant to have a significant role in the selection and dismissal of the support workers for the delivery of the services and supports specified in the participant's service delivery plan.

(c) A participant may use authorized units of CFSS services as needed within a service authorization that is not greater than 12 months. Using authorized units in a flexible manner in either the agency-provider model or the budget model does not increase the total amount of services and supports authorized for a participant or included in the participant's service delivery plan.

(d) A participant may share CFSS services. Two or three CFSS participants may share services at the same time provided by the same support worker.

(e) The agency-provider must use a minimum of 72.5 percent of the revenue generated by the medical assistance payment for CFSS for support worker wages and benefits. The agency-provider must document how this requirement is being met. The revenue generated by the ~~support-specialist~~ worker training and development services and the reasonable costs associated with the ~~support-specialist~~ worker training and development services must not be used in making this calculation.

(f) The agency-provider model must be used by individuals who have been restricted by the Minnesota restricted recipient program under Minnesota Rules, parts 9505.2160 to 9505.2245.

(g) Participants purchasing goods under this model, along with support worker services, must:

(1) specify the goods in the service delivery plan and detailed budget for expenditures that must be approved by the consultation services provider or the case manager/care coordinator; and

(2) use the FMS contractor for the billing and payment of such goods.

Sec. 13. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 12, is amended to read:

Subd. 12. **Requirements for enrollment of CFSS ~~provider agency-provider~~ agencies.** (a) All CFSS ~~provider agencies~~ agency-providers must provide, at the time of enrollment, reenrollment, and revalidation as a CFSS ~~provider agency~~ agency-provider in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

(1) the CFSS ~~provider agency's~~ agency-provider's current contact information including address, telephone number, and e-mail address;

(2) proof of surety bond coverage. Upon new enrollment, or if the ~~provider agency's~~ agency-provider's Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the ~~provider agency~~ agency-provider must purchase a performance bond of \$50,000. If the ~~provider agency's~~ agency-provider's Medicaid revenue in the previous calendar year is greater than \$300,000, the ~~provider agency~~ agency-provider must purchase a performance bond of \$100,000. The performance bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond;

(3) proof of fidelity bond coverage in the amount of \$20,000;

(4) proof of workers' compensation insurance coverage;

(5) proof of liability insurance;

(6) a description of the CFSS ~~provider agency's~~ agency-provider's organization identifying the names of all owners, managing employees, staff, board of directors, and the affiliations of the directors; and owners, ~~or staff~~ to other service providers;

(7) a copy of the CFSS ~~provider agency's~~ agency-provider's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;

(8) copies of all other forms the CFSS ~~provider agency~~ agency-provider uses in the course of daily business including, but not limited to:

(i) a copy of the CFSS ~~provider agency's~~ agency-provider's time sheet if the time sheet varies from the standard time sheet for CFSS services approved by the commissioner, and a letter requesting approval of the CFSS ~~provider agency's~~ agency-provider's nonstandard time sheet; and

(ii) ~~the a copy of the participant's individual~~ CFSS ~~provider agency's~~ template for the CFSS care service delivery plan;

(9) a list of all training and classes that the CFSS ~~provider agency~~ agency-provider requires of its staff providing CFSS services;

(10) documentation that the CFSS ~~provider agency~~ agency-provider and staff have successfully completed all the training required by this section;

(11) documentation of the ~~agency's~~ agency-provider's marketing practices;

(12) disclosure of ownership, leasing, or management of all residential properties that are used or could be used for providing home care services;

(13) documentation that the ~~agency~~ agency-provider will use at least the following percentages of revenue generated from the medical assistance rate paid for CFSS services for ~~employee personal care assistant~~ CFSS support worker wages and benefits: 72.5 percent of revenue from CFSS providers. The revenue generated by the ~~support specialist worker training and development services~~ and the reasonable costs associated with the ~~support specialist worker training and development services~~ shall not be used in making this calculation; and

(14) documentation that the ~~agency~~ agency-provider does not burden ~~recipients'~~ participants' free exercise of their right to choose service providers by requiring ~~personal care assistants~~ CFSS support workers to sign an agreement not to work with any particular CFSS ~~recipient~~ participant or for another CFSS ~~provider agency~~ agency-provider after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.

(b) CFSS ~~provider agencies~~ agency-providers shall provide to the commissioner the information specified in paragraph (a).

(c) All CFSS ~~provider agencies~~ agency-providers shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a CFSS ~~provider agency~~ agency-provider do not need to repeat the required training if they are hired by another agency, if they have completed the training within the past three years. CFSS ~~provider agency~~ agency-provider billing staff shall complete training about CFSS program financial management. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. ~~CFSS provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision.~~

(d) The commissioner shall send annual review notifications to agency-providers 30 days prior to renewal. The notification must:

(1) list the materials and information the agency-provider is required to submit;

(2) provide instructions on submitting information to the commissioner; and

(3) provide a due date by which the commissioner must receive the requested information.

Agency-providers shall submit the required documentation for annual review within 30 days of notification from the commissioner. If no documentation is submitted, the agency-provider enrollment number must be terminated or suspended.

Sec. 14. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 13, is amended to read:

Subd. 13. **Budget model.** (a) Under the budget model participants ~~can~~ may exercise ~~more~~ responsibility and control over the services and supports described and budgeted within the CFSS service delivery plan. Participants must use services provided by an FMS contractor as defined in subdivision 2, paragraph (m). Under this model, participants may use their approved service budget allocation to:

(1) directly employ support workers, and pay wages, federal and state payroll taxes, and premiums for workers' compensation, liability, and health insurance coverage; and

(2) obtain supports and goods as defined in subdivision 7; and

(3) choose a range of support assistance services from the financial management services (FMS) contractor related to:

(i) assistance in managing the budget to meet the service delivery plan needs, consistent with federal and state laws and regulations;

(ii) the employment, training, supervision, and evaluation of workers by the participant;

(iii) acquisition and payment for supports and goods; and

(iv) evaluation of individual service outcomes as needed for the scope of the participant's degree of control and responsibility.

(b) Participants who are unable to fulfill any of the functions listed in paragraph (a) may authorize a legal representative or participant's representative to do so on their behalf.

(c) The commissioner shall disenroll or exclude participants from the budget model and transfer them to the agency-provider model under the following circumstances that include but are not limited to:

(1) when a participant has been restricted by the Minnesota restricted recipient program, in which case the participant may be excluded for a specified time period under Minnesota Rules, parts 9505.2160 to 9505.2245;

(2) when a participant exits the budget model during the participant's service plan year. Upon transfer, the participant shall not access the budget model for the remainder of that service plan year; or

(3) when the department determines that the participant or participant's representative or legal representative cannot manage participant responsibilities under the budget model. The commissioner must develop policies for determining if a participant is unable to manage responsibilities under the budget model.

(d) A participant may appeal in writing to the department under section 256.045, subdivision 3, to contest the department's decision under paragraph (c), clause (3), to disenroll or exclude the participant from the budget model.

~~(e)~~ (e) The FMS contractor shall not provide CFSS services and supports under the agency-provider service model.

(f) The FMS contractor shall provide service functions as determined by the commissioner for budget model participants that include but are not limited to:

~~(1) information and consultation about CFSS;~~

~~(2)~~ (1) assistance with the development of the detailed budget for expenditures portion of the service delivery plan and budget model as requested by the consultation services provider or participant;

~~(3)~~ (2) billing and making payments for budget model expenditures;

~~(4)~~ (3) assisting participants in fulfilling employer-related requirements according to ~~Internal Revenue Service Revenue Procedure 70-6, section 3504, Agency Employer Tax Liability, regulation 137036-08~~ section 3504 of the Internal Revenue Code and related regulations and interpretations, including Code of Federal Regulations, title 26, section 31.3504-1, which includes assistance with filing and paying payroll taxes, and obtaining worker compensation coverage;

~~(5)~~ (4) data recording and reporting of participant spending; ~~and~~

~~(6)~~ (5) other duties established in the contract with the department, including with respect to providing assistance to the participant, participant's representative, or legal representative in performing their employer responsibilities regarding support workers. The support worker shall not be considered the employee of the ~~financial management services FMS contractor;~~ and

(6) billing, payment, and accounting of approved expenditures for goods for agency-provider participants.

~~(d) A participant who requests to purchase goods and supports along with support worker services under the agency provider model must use the budget model with a service delivery plan that specifies the amount of services to be authorized to the agency provider and the expenditures to be paid by the FMS contractor.~~

(e) (g) The FMS contractor shall:

(1) not limit or restrict the participant's choice of service or support providers or service delivery models consistent with any applicable state and federal requirements;

(2) provide the participant, consultation services provider, and the ~~targeted~~ case manager, if applicable, with a monthly written summary of the spending for services and supports that were billed against the spending budget;

(3) be knowledgeable of state and federal employment regulations, including those under the Fair Labor Standards Act of 1938, and comply with the requirements under ~~the Internal Revenue Service Revenue Procedure 70-6, Section 3504, section 3504 of the Internal Revenue Code and related regulations and interpretations, including Code of Federal Regulations, title 26, section 31.3504-1, regarding~~ agency employer tax liability for vendor or fiscal employer agent, and any requirements necessary to process employer and employee deductions, provide appropriate and timely submission of employer tax liabilities, and maintain documentation to support medical assistance claims;

(4) have current and adequate liability insurance and bonding and sufficient cash flow as determined by the commissioner and have on staff or under contract a certified public accountant or an individual with a baccalaureate degree in accounting;

(5) assume fiscal accountability for state funds designated for the program and be held liable for any overpayments or violations of applicable statutes or rules, including but not limited to the Minnesota False Claims Act; and

(6) maintain documentation of receipts, invoices, and bills to track all services and supports expenditures for any goods purchased and maintain time records of support workers. The documentation and time records must be maintained for a minimum of five years from the claim date and be available for audit or review upon request by the commissioner. Claims submitted by the FMS contractor to the commissioner for payment must correspond with services, amounts, and time periods as authorized in the participant's spending service budget and service plan and must contain specific identifying information as determined by the commissioner.

~~(f)~~ (h) The commissioner of human services shall:

(1) establish rates and payment methodology for the FMS contractor;

(2) identify a process to ensure quality and performance standards for the FMS contractor and ensure statewide access to FMS contractors; and

(3) establish a uniform protocol for delivering and administering CFSS services to be used by eligible FMS contractors.

~~(g) The commissioner of human services shall disenroll or exclude participants from the budget model and transfer them to the agency provider model under the following circumstances that include but are not limited to:~~

~~(1) when a participant has been restricted by the Minnesota restricted recipient program, the participant may be excluded for a specified time period under Minnesota Rules, parts 9505.2160 to 9505.2245;~~

~~(2) when a participant exits the budget model during the participant's service plan year. Upon transfer, the participant shall not access the budget model for the remainder of that service plan year; or~~

~~(3) when the department determines that the participant or participant's representative or legal representative cannot manage participant responsibilities under the budget model. The commissioner must develop policies for determining if a participant is unable to manage responsibilities under a budget model.~~

~~(h) A participant may appeal under section 256.045, subdivision 3, in writing to the department to contest the department's decision under paragraph (c), clause (3), to remove or exclude the participant from the budget model.~~

Sec. 15. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 15, is amended to read:

Subd. 15. **Documentation of support services provided.** (a) Support services provided to a participant by a support worker employed by either an agency-provider or the participant acting as the employer must be documented daily by each support worker, on a time sheet form approved by the commissioner. All documentation may be Web-based, electronic, or paper documentation. The completed form must be submitted on a ~~monthly~~ regular basis to the provider or the participant and the FMS contractor selected by the participant to provide assistance with meeting the participant's employer obligations and kept in the ~~recipient's health~~ participant's record.

(b) The activity documentation must correspond to the written service delivery plan and be reviewed by the agency-provider or the participant and the FMS contractor when the participant is ~~acting as~~ the employer of the support worker.

(c) The time sheet must be on a form approved by the commissioner documenting time the support worker provides services ~~in the home~~ to the participant. The following criteria must be included in the time sheet:

- (1) full name of the support worker and individual provider number;
- (2) ~~provider~~ agency-provider name and telephone numbers, if ~~an agency provider~~ is responsible for delivery services under the written service plan;
- (3) full name of the participant;
- (4) consecutive dates, including month, day, and year, and arrival and departure times with a.m. or p.m. notations;
- (5) signatures of the participant or the participant's representative;
- (6) personal signature of the support worker;
- (7) any shared care provided, if applicable;
- (8) a statement that it is a federal crime to provide false information on CFSS billings for medical assistance payments; and
- (9) dates and location of ~~recipient~~ participant stays in a hospital, care facility, or incarceration.

Sec. 16. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 16, is amended to read:

Subd. 16. **Support workers requirements.** (a) Support workers shall:

- (1) enroll with the department as a support worker after a background study under chapter 245C has been completed and the support worker has received a notice from the commissioner that:
 - (i) the support worker is not disqualified under section 245C.14; or
 - (ii) is disqualified, but the support worker has received a set-aside of the disqualification under section 245C.22;
- (2) have the ability to effectively communicate with the participant or the participant's representative;
- (3) have the skills and ability to provide the services and supports according to the ~~person's~~ participant's CFSS service delivery plan and respond appropriately to the participant's needs;
- (4) not be a participant of CFSS, unless the support services provided by the support worker differ from those provided to the support worker;
- (5) complete the basic standardized training as determined by the commissioner before completing enrollment. The training must be available in languages other than English and to those who need accommodations due to disabilities. Support worker training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of support workers including information about basic body mechanics, emergency preparedness, orientation to positive behavioral practices, orientation to responding to a mental health crisis, fraud issues, time cards and documentation, and an overview of person-centered planning and self-direction. Upon completion of the training components, the support worker must pass the certification test to provide assistance to participants;

(6) complete training and orientation on the participant's individual needs; and

(7) maintain the privacy and confidentiality of the participant, and not independently determine the medication dose or time for medications for the participant.

(b) The commissioner may deny or terminate a support worker's provider enrollment and provider number if the support worker:

(1) lacks the skills, knowledge, or ability to adequately or safely perform the required work;

(2) fails to provide the authorized services required by the participant employer;

(3) has been intoxicated by alcohol or drugs while providing authorized services to the participant or while in the participant's home;

(4) has manufactured or distributed drugs while providing authorized services to the participant or while in the participant's home; or

(5) has been excluded as a provider by the commissioner of human services, or the United States Department of Health and Human Services, Office of Inspector General, from participation in Medicaid, Medicare, or any other federal health care program.

(c) A support worker may appeal in writing to the commissioner to contest the decision to terminate the support worker's provider enrollment and provider number.

(d) A support worker must not provide or be paid for more than 275 hours of CFSS per month, regardless of the number of participants the support worker serves or the number of agency-providers or participant employers by which the support worker is employed. The department shall not disallow the number of hours per day a support worker works unless it violates other law.

Sec. 17. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding a subdivision to read:

Subd. 16a. **Exception to support worker requirements for continuity of services.** The support worker for a participant may be allowed to enroll with a different CFSS agency-provider or FMS contractor upon initiation, rather than completion, of a new background study according to chapter 245C, if the following conditions are met:

(1) the commissioner determines that the support worker's change in enrollment or affiliation is needed to ensure continuity of services and protect the health and safety of the participant;

(2) the chosen agency-provider or FMS contractor has been continuously enrolled as a CFSS agency-provider or FMS contractor for at least two years or since the inception of the CFSS program, whichever is shorter;

(3) the participant served by the support worker chooses to transfer to the CFSS agency-provider or the FMS contractor to which the support worker is transferring;

(4) the support worker has been continuously enrolled with the former CFSS agency-provider or FMS contractor since the support worker's last background study was completed; and

(5) the support worker continues to meet requirements of subdivision 16, excluding paragraph (a), clause (1).

Sec. 18. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 17, is amended to read:

Subd. 17. ~~Support specialist requirements and payments~~ **Consultation services description and duties.** ~~The commissioner shall develop qualifications, scope of functions, and payment rates and service limits for a support specialist that may provide additional or specialized assistance necessary to plan, implement, arrange, augment, or evaluate services and supports.~~

(a) Consultation services means providing assistance to the participant in making informed choices regarding CFSS services in general and self-directed tasks in particular and in developing a person-centered service delivery plan to achieve quality service outcomes.

(b) Consultation services is a required service that may include but is not limited to:

(1) an initial and annual orientation to CFSS information and policies, including selecting a service model;

(2) assistance with the development, implementation, management, and evaluation of the person-centered service delivery plan;

(3) consultation on recruiting, selecting, training, managing, directing, evaluating, and supervising support workers;

(4) reviewing the use of and access to informal and community supports, goods, or resources;

(5) assistance with fulfilling responsibilities and requirements of CFSS including modifying service delivery plans and changing service models; and

(6) assistance with accessing FMS contractors or agency-providers.

(c) Duties of a consultation services provider shall include but are not limited to:

(1) review and finalization of the CFSS service delivery plan by the consultation services provider organization;

(2) distribution of copies of the final service delivery plan to the participant and to the agency-provider or FMS contractor, case manager/care coordinator, and other designated parties;

(3) an evaluation of services upon receiving information from an FMS contractor indicating spending or participant employer concerns;

(4) a semiannual review of services if the participant does not have a case manager/care coordinator and when the support worker is a paid parent of a minor participant or the participant's spouse;

(5) collection and reporting of data as required by the department; and

(6) providing the participant with a copy of the service-related rights under subdivision 20 at the start of consultation services.

Sec. 19. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding a subdivision to read:

Subd. 17a. **Consultation service provider qualifications and requirements.** The commissioner shall develop the qualifications and requirements for providers of consultation services under subdivision 17. These providers must satisfy at least the following qualifications and requirements:

- (1) are under contract with the department;
- (2) are not the FMS contractor as defined in subdivision 2, paragraph (m), the CFSS or HCBS waiver agency-provider or vendor to the participant, or a lead agency;
- (3) meet the service standards as established by the commissioner;
- (4) employ lead professional staff with a minimum of three years of experience in providing support planning, support broker, or consultation services and consumer education to participants using a self-directed program using FMS under medical assistance;
- (5) are knowledgeable about CFSS roles and responsibilities including those of the certified assessor, FMS contractor, agency-provider, and case manager/care coordinator;
- (6) comply with medical assistance provider requirements;
- (7) understand the CFSS program and its policies;
- (8) are knowledgeable about self-directed principles and the application of the person-centered planning process;
- (9) have general knowledge of the FMS contractor duties and participant employment model, including all applicable federal, state, and local laws and regulations regarding tax, labor, employment, and liability and workers' compensation coverage for household workers; and
- (10) have all employees, including lead professional staff, staff in management and supervisory positions, and owners of the agency who are active in the day-to-day management and operations of the agency, complete training as specified in the contract with the department.

Sec. 20. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 18, is amended to read:

Subd. 18. **Service unit and budget allocation requirements and limits.** (a) For the agency-provider model, services will be authorized in units of service. The total service unit amount must be established based upon the assessed need for CFSS services, and must not exceed the maximum number of units available as determined under subdivision 8.

(b) For the budget model, the service budget allocation allowed for services and supports is ~~established by multiplying the number of units authorized under subdivision 8 by the payment rate established by the commissioner defined in subdivision 8, paragraph (g).~~

Sec. 21. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding a subdivision to read:

Subd. 18a. **Worker training and development services.** (a) The commissioner shall develop the scope of tasks and functions, service standards, and service limits for worker training and development services.

(b) Worker training and development services are in addition to the participant's assessed service units or service budget. Services provided according to this subdivision must:

(1) help support workers obtain and expand the skills and knowledge necessary to ensure competency in providing quality services as needed and defined in the participant's service delivery plan;

(2) be provided or arranged for by the agency-provider under subdivision 11 or purchased by the participant employer under the budget model under subdivision 13; and

(3) be described in the participant's CFSS service delivery plan and documented in the participant's file.

(c) Services covered under worker training and development shall include:

(1) support worker training on the participant's individual assessed needs, condition, or both, provided individually or in a group setting by a skilled and knowledgeable trainer beyond any training the participant or participant's representative provides;

(2) tuition for professional classes and workshops for the participant's support workers that relate to the participant's assessed needs, condition, or both;

(3) direct observation, monitoring, coaching, and documentation of support worker job skills and tasks, beyond any training the participant or participant's representative provides, including supervision of health-related tasks or behavioral supports that is conducted by an appropriate professional based on the participant's assessed needs. These services must be provided within 14 days of the start of services or the start of a new support worker and must be specified in the participant's service delivery plan; and

(4) reporting service and support concerns to the appropriate provider.

(d) Worker training and development services shall not include:

(1) general agency training, worker orientation, or training on CFSS self-directed models;

(2) payment for preparation or development time for the trainer or presenter;

(3) payment of the support worker's salary or compensation during the training;

(4) training or supervision provided by the participant, the participant's support worker, or the participant's informal supports, including the participant's representative; or

(5) services in excess of 96 units per annual service authorization, unless approved by the department.

Sec. 22. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 23, is amended to read:

Subd. 23. **Commissioner's access.** When the commissioner is investigating a possible overpayment of Medicaid funds, the commissioner must be given immediate access without prior notice to the ~~agency-provider~~ agency-provider or FMS contractor's office during regular business hours and to documentation and records related to services provided and submission of claims for services provided. Denying the commissioner access to records is cause for immediate suspension of payment and terminating the agency provider's enrollment according to section 256B.064 or terminating the FMS contract.

Sec. 23. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 24, is amended to read:

Subd. 24. **CFSS agency-providers; background studies.** CFSS agency-providers enrolled to provide ~~personal care assistance~~ CFSS services under the medical assistance program shall comply with the following:

(1) owners who have a five percent interest or more and all managing employees are subject to a background study as provided in chapter 245C. This applies to currently enrolled CFSS agency-providers and those agencies seeking enrollment as a CFSS agency-provider. "Managing employee" has the same meaning as Code of Federal Regulations, title 42, section 455. An organization is barred from enrollment if:

- (i) the organization has not initiated background studies on owners managing employees; or
- (ii) the organization has initiated background studies on owners and managing employees, but the commissioner has sent the organization a notice that an owner or managing employee of the organization has been disqualified under section 245C.14, and the owner or managing employee has not received a set-aside of the disqualification under section 245C.22;

(2) a background study must be initiated and completed for all ~~support specialists~~ staff who will have direct contact with the participant to provide worker training and development; and

(3) a background study must be initiated and completed for all support workers.

Sec. 24. Laws 2013, chapter 108, article 7, section 49, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective upon federal approval but no earlier than April 1, 2014. The service will begin 90 days after federal approval ~~or April 1, 2014, whichever is later~~. The commissioner of human services shall notify the revisor of statutes when this occurs.

ARTICLE 27 CONTINUING CARE

Section 1. Minnesota Statutes 2012, section 13.46, subdivision 4, is amended to read:

Subd. 4. **Licensing data.** (a) As used in this subdivision:

(1) "licensing data" are all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" are Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license holders, and former licensees are public: name, address, telephone number of licensees, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services, the local social services agency, or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician.

(ii) When a correction order, an order to forfeit a fine, an order of license suspension, an order of temporary immediate suspension, an order of license revocation, an order of license denial, or an order of conditional license has been issued, or a complaint is resolved, the following data on current and former licensees and applicants are public: the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the record of informal resolution of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, temporary immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; whether a fine has been paid; and the status of any appeal of these actions.

(iii) When a license denial under section 245A.05 or a sanction under section 245A.07 is based on a determination that the license holder or applicant is responsible for maltreatment under section 626.556 or 626.557, the identity of the applicant or license holder as the individual responsible for maltreatment is public data at the time of the issuance of the license denial or sanction.

(iv) When a license denial under section 245A.05 or a sanction under section 245A.07 is based on a determination that the license holder or applicant is disqualified under chapter 245C, the identity of the license holder or applicant as the disqualified individual and the reason for the disqualification are public data at the time of the issuance of the licensing sanction or denial. If the applicant or license holder requests reconsideration of the disqualification and the disqualification is affirmed, the reason for the disqualification and the reason to not set aside the disqualification are public data.

(2) Notwithstanding sections 626.556, subdivision 11, and 626.557, subdivision 12b, when any person subject to disqualification under section 245C.14 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home is a substantiated perpetrator of maltreatment, and the substantiated maltreatment is a reason for a licensing action, the identity of the substantiated perpetrator of maltreatment is public data. For purposes of this clause, a person is a substantiated perpetrator if the maltreatment determination has been upheld under section 256.045; 626.556, subdivision 10i; 626.557, subdivision 9d; or chapter 14, or if an individual or facility has not timely exercised appeal rights under these sections, except as provided under clause (1).

(3) For applicants who withdraw their application prior to licensure or denial of a license, the following data are public: the name of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, and the date of withdrawal of the application.

(4) For applicants who are denied a license, the following data are public: the name and address of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, the date of denial of the application, the nature of the basis for the denial, the record of informal resolution of a denial, orders of hearings, findings of fact, conclusions of law, specifications of the final order of denial, and the status of any appeal of the denial.

(5) The following data on persons subject to disqualification under section 245C.14 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home, are public: the nature of any disqualification set aside under section 245C.22, subdivisions 2 and 4, and the reasons for setting aside the disqualification; the nature of any disqualification for which a variance was granted under sections 245A.04, subdivision 9; and 245C.30, and the reasons for granting any variance under section 245A.04, subdivision 9; and, if applicable, the disclosure that any person subject to a background study under section 245C.03, subdivision 1, has successfully passed a background study. If a licensing sanction under section 245A.07, or a license denial under section 245A.05, is based on a determination that an individual subject to disqualification under chapter 245C is disqualified, the disqualification as a basis for the licensing sanction or denial is public data. As specified in clause (1), item (iv), if the disqualified individual is the license holder or applicant, the identity of the license holder or applicant and the reason for the disqualification are public data; and, if the license holder or applicant requested reconsideration of the disqualification and the disqualification is affirmed, the reason for the disqualification and the reason to not set aside the disqualification are public data. If the disqualified individual is an individual other than the license holder or applicant, the identity of the disqualified individual shall remain private data.

(6) When maltreatment is substantiated under section 626.556 or 626.557 and the victim and the substantiated perpetrator are affiliated with a program licensed under chapter 245A, the commissioner of human services, local social services agency, or county welfare agency may inform the license holder where the maltreatment occurred of the identity of the substantiated perpetrator and the victim.

(7) Notwithstanding clause (1), for child foster care, only the name of the license holder and the status of the license are public if the county attorney has requested that data otherwise classified as public data under clause (1) be considered private data based on the best interests of a child in placement in a licensed program.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters of complaints or alleged violations of licensing standards under chapters 245A, 245B, 245C, and 245D, and applicable rules and alleged maltreatment under sections 626.556 and 626.557, are confidential data and may be disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning a license which has been suspended, immediately suspended, revoked, or denied.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 626.556, subdivision 2, or 626.5572, subdivision 18, are subject to the destruction provisions of sections 626.556, subdivision 11c, and 626.557, subdivision 12b.

(h) Upon request, not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report of substantiated maltreatment as defined in section 626.556 or 626.557 may be exchanged with the Department of Health for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 245A and 245C, data on individuals collected by the commissioner of human services according to investigations under chapters 245A, 245B, ~~and 245C~~, and 245D, and sections 626.556 and 626.557 may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the ombudsman for mental health and developmental disabilities, and the individual's professional regulatory board when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated or the information may otherwise be relevant to the board's regulatory jurisdiction. Background study data on an individual who is the subject of a background study under chapter 245C for a licensed service for which the commissioner of human services is the license holder may be shared with the commissioner and the commissioner's delegate by the licensing division. Unless otherwise specified in this chapter, the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

(j) In addition to the notice of determinations required under section 626.556, subdivision 10f, if the commissioner or the local social services agency has determined that an individual is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 626.556, subdivision 2, and the commissioner or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

(k) All not public data collected, maintained, used, or disseminated under this subdivision and subdivision 3 may be exchanged between the Department of Human Services, Licensing Division, and the Department of Corrections for purposes of regulating services for which the Department of Human Services and the Department of Corrections have regulatory authority.

Sec. 2. Minnesota Statutes 2012, section 144.0724, as amended by Laws 2014, chapter 147, section 1, is amended to read:

144.0724 RESIDENT REIMBURSEMENT CLASSIFICATION.

Subdivision 1. **Resident reimbursement case mix classifications.** The commissioner of health shall establish resident reimbursement classifications based upon the assessments of residents of nursing homes and boarding care homes conducted under this section and according to section 256B.438.

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

(a) "Assessment reference date" or "ARD" means the specific end point for look-back periods in the MDS assessment process. This look-back period is also called the observation or assessment period.

(b) "Case mix index" means the weighting factors assigned to the RUG-IV classifications.

(c) "Index maximization" means classifying a resident who could be assigned to more than one category, to the category with the highest case mix index.

(d) "Minimum data set" or "MDS" means a core set of screening, clinical assessment, and functional status elements, that include common definitions and coding categories specified by the Centers for Medicare and Medicaid Services and designated by the Minnesota Department of Health.

(e) "Representative" means a person who is the resident's guardian or conservator, the person authorized to pay the nursing home expenses of the resident, a representative of the Office of Ombudsman for Long-Term Care whose assistance has been requested, or any other individual designated by the resident.

(f) "Resource utilization groups" or "RUG" means the system for grouping a nursing facility's residents according to their clinical and functional status identified in data supplied by the facility's minimum data set.

(g) "Activities of daily living" means grooming, dressing, bathing, transferring, mobility, positioning, eating, and toileting.

(h) "Nursing facility level of care determination" means the assessment process that results in a determination of a resident's or prospective resident's need for nursing facility level of care as established in subdivision 11 for purposes of medical assistance payment of long-term care services for:

- (1) nursing facility services under section 256B.434 or 256B.441;
- (2) elderly waiver services under section 256B.0915;
- (3) CADI and BI waiver services under section 256B.49; and
- (4) state payment of alternative care services under section 256B.0913.

Subd. 3a. **Resident reimbursement classifications beginning January 1, 2012.** (a) Beginning January 1, 2012, resident reimbursement classifications shall be based on the minimum data set, version 3.0 assessment instrument, or its successor version mandated by the Centers for Medicare and Medicaid Services that nursing facilities are required to complete for all residents. The commissioner of health shall establish resident classifications according to the RUG-IV, 48 group, resource utilization groups. Resident classification must be established based on the individual items on the minimum data set, which must be completed according to the Long Term Care Facility Resident Assessment Instrument User's Manual Version 3.0 or its successor issued by the Centers for Medicare and Medicaid Services.

(b) Each resident must be classified based on the information from the minimum data set according to general categories as defined in the Case Mix Classification Manual for Nursing Facilities issued by the Minnesota Department of Health.

Subd. 4. **Resident assessment schedule.** (a) A facility must conduct and electronically submit to the commissioner of health MDS assessments that conform with the assessment schedule defined by Code of Federal Regulations, title 42, section 483.20, and published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, in the Long Term Care Assessment Instrument User's Manual, version 3.0, and subsequent updates when issued by the Centers for Medicare and Medicaid Services. The commissioner of health may substitute successor manuals or question and answer documents published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, to replace or supplement the current version of the manual or document.

(b) The assessments used to determine a case mix classification for reimbursement include the following:

(1) a new admission assessment;

(2) an annual assessment which must have an assessment reference date (ARD) within 92 days of the previous assessment and within 366 days of the ARD of the previous comprehensive assessment;

(3) a significant change in status assessment must be completed within 14 days of the identification of a significant change;

(4) all quarterly assessments must have an assessment reference date (ARD) within 92 days of the ARD of the previous assessment;

(5) any significant correction to a prior comprehensive assessment, if the assessment being corrected is the current one being used for RUG classification; and

(6) any significant correction to a prior quarterly assessment, if the assessment being corrected is the current one being used for RUG classification.

(c) In addition to the assessments listed in paragraph (b), the assessments used to determine nursing facility level of care include the following:

(1) preadmission screening completed under section 256B.0911, subdivision 4a, by a county, tribe, or managed care organization under contract with the Department of Human Services; and

(2) a face-to-face long-term care consultation assessment completed under section 256B.0911, subdivision 3a, 3b, or 4d, by a county, tribe, or managed care organization under contract with the Department of Human Services.

Subd. 5. **Short stays.** (a) A facility must submit to the commissioner of health an admission assessment for all residents who stay in the facility 14 days or less.

(b) Notwithstanding the admission assessment requirements of paragraph (a), a facility may elect to accept a short stay rate with a case mix index of 1.0 for all facility residents who stay 14 days or less in lieu of submitting an admission assessment. Facilities shall make this election annually.

(c) Nursing facilities must elect one of the options described in paragraphs (a) and (b) by reporting to the commissioner of health, as prescribed by the commissioner. The election is effective on July 1 each year.

Subd. 6. **Penalties for late or nonsubmission.** (a) A facility that fails to complete or submit an assessment according to subdivisions 4 and 5 for a RUG-IV classification within seven days of the time requirements listed in the Long-Term Care Facility Resident Assessment Instrument User's Manual is subject to a reduced rate for that resident. The reduced rate shall be the lowest rate for that facility. The reduced rate is effective on the day of admission for new admission assessments, on the ARD for significant change in status assessments, or on the day that the assessment was due for all other assessments and continues in effect until the first day of the month following the date of submission and acceptance of the resident's assessment.

(b) If loss of revenue due to penalties incurred by a facility for any period of 92 days are equal to or greater than 1.0 percent of the total operating costs on the facility's most recent annual statistical and cost report, a facility may apply to the commissioner of human services for a reduction in the total penalty amount. The commissioner of human services, in consultation with the commissioner of health, may, at the sole discretion of the commissioner of human services, limit the penalty for residents covered by medical assistance to 15 days.

Subd. 7. **Notice of resident reimbursement classification.** (a) The commissioner of health shall provide to a nursing facility a notice for each resident of the reimbursement classification established under subdivision 1. The notice must inform the resident of the classification that was assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of the classification and the address and telephone number of the Office of Ombudsman for Long-Term Care. The commissioner must transmit the notice of resident classification by electronic means to the nursing facility. A nursing facility is responsible for the distribution of the notice to each resident, to the person responsible for the payment of the resident's nursing home expenses, or to another person designated by the resident. This notice must be distributed within three working days after the facility's receipt of the electronic file of notice of case mix classifications from the commissioner of health.

(b) If a facility submits a modification to the most recent assessment used to establish a case mix classification conducted under subdivision 3 that results in a change in case mix classification, the facility shall give written notice to the resident or the resident's representative about the item that was modified and the reason for the modification. The notice of modified assessment may be provided at the same time that the resident or resident's representative is provided the resident's modified notice of classification.

Subd. 8. **Request for reconsideration of resident classifications.** (a) The resident, or resident's representative, or the nursing facility or boarding care home may request that the commissioner of health reconsider the assigned reimbursement classification. The request for reconsideration must be submitted in writing to the commissioner within 30 days of the day the resident or the resident's representative receives the resident classification notice. The request for reconsideration must include the name of the resident, the name and address of the facility in which the resident resides, the reasons for the reconsideration, and documentation supporting the request. The documentation accompanying the reconsideration request is limited to a copy of the MDS that determined the classification and other documents that would support or change the MDS findings.

(b) Upon request, the nursing facility must give the resident or the resident's representative a copy of the assessment form and the other documentation that was given to the commissioner of health to support the assessment findings. The nursing facility shall also provide access to and a copy of other information from the resident's record that has been requested by or on behalf of the resident to support a resident's reconsideration request. A copy of any requested material must be provided within three working days of receipt of a written request for the information. Notwithstanding any law to the contrary, the facility may not charge a fee for providing copies of the requested documentation. If a facility fails to provide the material within this time, it is subject to the issuance of a correction order and penalty assessment under sections 144.653 and 144A.10. Notwithstanding those sections, any correction order issued under this subdivision must require that the nursing facility immediately comply with the request for information and that as of the date of the issuance of the correction order, the facility shall forfeit to the state a \$100 fine for the first day of noncompliance, and an increase in the \$100 fine by \$50 increments for each day the noncompliance continues.

(c) In addition to the information required under paragraphs (a) and (b), a reconsideration request from a nursing facility must contain the following information: (i) the date the reimbursement classification notices were received by the facility; (ii) the date the classification notices were distributed to the resident or the resident's representative; and (iii) a copy of a notice sent to the resident or to the resident's representative. This notice must inform the resident or the resident's representative that a reconsideration of the resident's classification is being requested, the reason for the request, that the resident's rate will change if the request is approved by the commissioner, the extent of the change, that copies of the facility's request and supporting documentation are available for review, and that the resident also has the right to request a reconsideration. If the facility fails to provide the required information listed in item (iii) with the reconsideration request, the commissioner may request that the facility provide the information within 14 calendar days. The reconsideration request must be denied if the information is then not provided, and the facility may not make further reconsideration requests on that specific reimbursement classification.

(d) Reconsideration by the commissioner must be made by individuals not involved in reviewing the assessment, audit, or reconsideration that established the disputed classification. The reconsideration must be based upon the assessment that determined the classification and upon the information provided to the commissioner under paragraphs (a) and (b). If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. Within 15 working days of receiving the request for reconsideration, the commissioner shall affirm or modify the original resident classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect characteristics of the resident at the time of the assessment. The resident and the nursing facility or boarding care home shall be notified within five working days after the decision is made. A decision by the commissioner under this subdivision is the final administrative decision of the agency for the party requesting reconsideration.

(e) The resident classification established by the commissioner shall be the classification that applies to the resident while the request for reconsideration is pending. If a request for reconsideration applies to an assessment used to determine nursing facility level of care under subdivision 4, paragraph (c), the resident shall continue to be eligible for nursing facility level of care while the request for reconsideration is pending.

(f) The commissioner may request additional documentation regarding a reconsideration necessary to make an accurate reconsideration determination.

Subd. 9. **Audit authority.** (a) The commissioner shall audit the accuracy of resident assessments performed under section 256B.438 through any of the following: desk audits; on-site review of residents and their records; and interviews with staff, residents, or residents' families. The commissioner shall reclassify a resident if the commissioner determines that the resident was incorrectly classified.

(b) The commissioner is authorized to conduct on-site audits on an unannounced basis.

(c) A facility must grant the commissioner access to examine the medical records relating to the resident assessments selected for audit under this subdivision. The commissioner may also observe and speak to facility staff and residents.

(d) The commissioner shall consider documentation under the time frames for coding items on the minimum data set as set out in the Long-Term Care Facility Resident Assessment Instrument User's Manual published by the Centers for Medicare and Medicaid Services.

(e) The commissioner shall develop an audit selection procedure that includes the following factors:

(1) Each facility shall be audited annually. If a facility has two successive audits in which the percentage of change is five percent or less and the facility has not been the subject of a special audit in the past 36 months, the facility may be audited biannually. A stratified sample of 15 percent, with a minimum of ten assessments, of the most current assessments shall be selected for audit. If more than 20 percent of the RUG-IV classifications are changed as a result of the audit, the audit shall be expanded to a second 15 percent sample, with a minimum of ten assessments. If the total change between the first and second samples is 35 percent or greater, the commissioner may expand the audit to all of the remaining assessments.

(2) If a facility qualifies for an expanded audit, the commissioner may audit the facility again within six months. If a facility has two expanded audits within a 24-month period, that facility will be audited at least every six months for the next 18 months.

(3) The commissioner may conduct special audits if the commissioner determines that circumstances exist that could alter or affect the validity of case mix classifications of residents. These circumstances include, but are not limited to, the following:

- (i) frequent changes in the administration or management of the facility;
- (ii) an unusually high percentage of residents in a specific case mix classification;
- (iii) a high frequency in the number of reconsideration requests received from a facility;
- (iv) frequent adjustments of case mix classifications as the result of reconsiderations or audits;
- (v) a criminal indictment alleging provider fraud;
- (vi) other similar factors that relate to a facility's ability to conduct accurate assessments;
- (vii) an atypical pattern of scoring minimum data set items;
- (viii) nonsubmission of assessments;
- (ix) late submission of assessments; or
- (x) a previous history of audit changes of 35 percent or greater.

(f) Within 15 working days of completing the audit process, the commissioner shall make available electronically the results of the audit to the facility. If the results of the audit reflect a change in the resident's case mix classification, a case mix classification notice will be made available electronically to the facility, using the

procedure in subdivision 7, paragraph (a). The notice must contain the resident's classification and a statement informing the resident, the resident's authorized representative, and the facility of their right to review the commissioner's documents supporting the classification and to request a reconsideration of the classification. This notice must also include the address and telephone number of the Office of Ombudsman for Long-Term Care.

Subd. 10. **Transition.** After implementation of this section, reconsiderations requested for classifications made under section 144.0722, subdivision 1, shall be determined under section 144.0722, subdivision 3.

Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment of long-term care services, a recipient must be determined, using assessments defined in subdivision 4, to meet one of the following nursing facility level of care criteria:

- (1) the person requires formal clinical monitoring at least once per day;
 - (2) the person needs the assistance of another person or constant supervision to begin and complete at least four of the following activities of living: bathing, bed mobility, dressing, eating, grooming, toileting, transferring, and walking;
 - (3) the person needs the assistance of another person or constant supervision to begin and complete toileting, transferring, or positioning and the assistance cannot be scheduled;
 - (4) the person has significant difficulty with memory, using information, daily decision making, or behavioral needs that require intervention;
 - (5) the person has had a qualifying nursing facility stay of at least 90 days;
 - (6) the person meets the nursing facility level of care criteria determined 90 days after admission or on the first quarterly assessment after admission, whichever is later; or
 - (7) the person is determined to be at risk for nursing facility admission or readmission through a face-to-face long-term care consultation assessment as specified in section 256B.0911, subdivision 3a, 3b, or 4d, by a county, tribe, or managed care organization under contract with the Department of Human Services. The person is considered at risk under this clause if the person currently lives alone or will live alone upon discharge or be homeless without the person's current housing type and also meets one of the following criteria:
 - (i) the person has experienced a fall resulting in a fracture;
 - (ii) the person has been determined to be at risk of maltreatment or neglect, including self-neglect; or
 - (iii) the person has a sensory impairment that substantially impacts functional ability and maintenance of a community residence.
- (b) The assessment used to establish medical assistance payment for nursing facility services must be the most recent assessment performed under subdivision 4, paragraph (b), that occurred no more than 90 calendar days before the effective date of medical assistance eligibility for payment of long-term care services. In no case shall medical assistance payment for long-term care services occur prior to the date of the determination of nursing facility level of care.
- (c) The assessment used to establish medical assistance payment for long-term care services provided under sections 256B.0915 and 256B.49 and alternative care payment for services provided under section 256B.0913 must be the most recent face-to-face assessment performed under section 256B.0911, subdivision 3a, 3b, or 4d, that occurred no more than 60 calendar days before the effective date of medical assistance eligibility for payment of long-term care services.

Subd. 12. **Appeal of nursing facility level of care determination.** (a) A resident or prospective resident whose level of care determination results in a denial of long-term care services can appeal the determination as outlined in section 256B.0911, subdivision 3a, paragraph (h), clause (9).

(b) The commissioner of human services shall ensure that notice of changes in eligibility due to a nursing facility level of care determination is provided to each affected recipient or the recipient's guardian at least 30 days before the effective date of the change. The notice shall include the following information:

- (1) how to obtain further information on the changes;
- (2) how to receive assistance in obtaining other services;
- (3) a list of community resources; and
- (4) appeal rights.

A recipient who meets the criteria in section 256B.0922, subdivision 2, paragraph (a), clauses (1) and (2), may request continued services pending appeal within the time period allowed to request an appeal under section 256.045, subdivision 3, paragraph (h). This paragraph is in effect for appeals filed between January 1, 2015, and December 31, 2016.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 3. Minnesota Statutes 2013 Supplement, section 245.8251, is amended to read:

245.8251 POSITIVE SUPPORT STRATEGIES AND EMERGENCY MANUAL RESTRAINT; LICENSED FACILITIES AND PROGRAMS.

Subdivision 1. **Rules governing the use of positive support strategies and restricting or prohibiting restrictive interventions.** The commissioner of human services shall, ~~within 24 months of May 23, 2013 by August 31, 2015,~~ adopt rules governing the use of positive support strategies, ~~safety interventions, and~~ emergency use of manual restraint, and restricting or prohibiting the use of restrictive interventions, in all facilities and services licensed under chapter 245D, and in all licensed facilities and licensed services serving persons with a developmental disability or related condition. For the purposes of this section, "developmental disability or related condition" has the meaning given in Minnesota Rules, part 9525.0016, subpart 2, items A to E.

Subd. 2. **Data collection.** (a) The commissioner shall, with stakeholder input, ~~develop~~ identify data collection elements specific to incidents of emergency use of manual restraint and positive support transition plans for persons receiving services from ~~providers governed licensed facilities and licensed services under chapter 245D and in licensed facilities and licensed services serving persons with a developmental disability or related condition as defined in Minnesota Rules, part 9525.0016, subpart 2, effective January 1, 2014.~~ Providers Licensed facilities and licensed services shall report the data in a format and at a frequency determined by the commissioner of human services. ~~Providers shall submit the data~~ to the commissioner and the Office of the Ombudsman for Mental Health and Developmental Disabilities.

(b) Beginning July 1, 2013, ~~providers licensed facilities and licensed services regulated under Minnesota Rules, parts 9525.2700 to 9525.2810, shall submit data regarding the use of all controlled procedures identified in Minnesota Rules, part 9525.2740, in a format and at a frequency determined by the commissioner.~~ Providers shall submit the data to the commissioner and the Office of the Ombudsman for Mental Health and Developmental Disabilities.

Subd. 3. **External program review committee.** Rules adopted according to this section shall establish requirements for an external program review committee appointed by the commissioner to monitor implementation of the rules and make recommendations to the commissioner about any needed policy changes after adoption of the rules.

Subd. 4. **Interim review panel.** (a) The commissioner shall establish an interim review panel by August 15, 2014, for the purpose of reviewing requests for emergency use of procedures that have been part of an approved positive support transition plan when necessary to protect a person from imminent risk of serious injury as defined in section 245.91, subdivision 6, due to self-injurious behavior. The panel must make recommendations to the commissioner to approve or deny these requests based on criteria to be established by the interim review panel. The interim review panel shall operate until the external program review committee is established as required under subdivision 3.

(b) Members of the interim review panel shall be selected based on their expertise and knowledge related to the use of positive support strategies as alternatives to the use of restrictive interventions. The commissioner shall seek input and recommendations in establishing the interim review panel. Members of the interim review panel shall include the following representatives:

(1) an expert in positive supports;

(2) a mental health professional, as defined in section 245.462;

(3) a licensed health professional as defined in section 245D.02, subdivision 14; and

(4) a representative of the Department of Health.

Sec. 4. Minnesota Statutes 2013 Supplement, section 245A.03, subdivision 7, is amended to read:

Subd. 7. Licensing moratorium. (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. Exceptions to the moratorium include:

(1) foster care settings that are required to be registered under chapter 144D;

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital level care; or

(5) new foster care licenses or community residential setting licenses determined to be needed by the commissioner for the transition of people from personal care assistance to the home and community-based services.

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department shall decrease the statewide licensed capacity for adult foster care settings where the physical location is not the primary residence of the license holder, or for adult community residential settings, if the voluntary changes described in paragraph (e) are not sufficient to meet the savings required by reductions in licensed bed capacity under Laws 2011, First Special Session chapter 9, article 7, sections 1 and 40, paragraph (f), and maintain statewide long-term care residential services capacity within budgetary limits. Implementation of the statewide licensed capacity reduction shall begin on July 1, 2013. The commissioner shall delicense up to 128 beds by June 30, 2014, using the needs determination process. Prior to any involuntary reduction of licensed capacity, the commissioner shall consult with lead agencies and license holders to determine which adult foster care settings where the physical location is not the primary residence of the license holder, or community residential settings, are licensed for up to five beds but have operated at less than full capacity for 12 or more months as of March 1, 2014. The settings that meet these criteria shall be the first to be considered for any involuntary decrease in statewide licensed capacity, up to a maximum of 35 beds. If more than 35 beds are identified that meet these criteria, the commissioner shall prioritize the selection of those beds to be closed based on the length of time the beds have been vacant. The longer a bed has been vacant, the higher priority it must be given for closure. Under this paragraph, the commissioner has the authority to reduce unused licensed capacity of a current foster care program, or the community residential settings, to accomplish the consolidation or closure of settings. Under this paragraph, the commissioner has the authority to manage statewide capacity, including adjusting the capacity available to each county and adjusting statewide available capacity, to meet the statewide needs identified through the process in paragraph (e). A decreased licensed capacity according to this paragraph is not subject to appeal under this chapter.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) shall be exempt under the following circumstances:

(1) until August 1, 2013, the license holder's beds occupied by residents whose primary diagnosis is mental illness and the license holder is:

(i) a provider of assertive community treatment (ACT) or adult rehabilitative mental health services (ARMHS) as defined in section 256B.0623;

(ii) a mental health center certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

(iii) a mental health clinic certified under Minnesota Rules, parts 9520.0750 to 9520.0870; or

(iv) a provider of intensive residential treatment services (IRTS) licensed under Minnesota Rules, parts 9520.0500 to 9520.0670; or

(2) the license holder's beds occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available reports required by section 144A.351, and other data and information shall be used to determine where the reduced capacity required under paragraph (c) will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet long-term care service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term care services reports and statewide data and information. By February 1, 2013, and August 1, 2014, and each following year, the commissioner shall provide information and data on the overall capacity of licensed long-term care services, actions taken under this subdivision to manage statewide long-term care services and supports resources, and any recommendations for change to the legislative committees with jurisdiction over health and human services budget.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under section 256B.0915, 256B.092, or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

Sec. 5. Minnesota Statutes 2013 Supplement, section 245A.042, subdivision 3, is amended to read:

Subd. 3. **Implementation.** (a) The commissioner shall implement the responsibilities of this chapter according to the timelines in paragraphs (b) and (c) only within the limits of available appropriations or other administrative cost recovery methodology.

(b) The licensure of home and community-based services according to this section shall be implemented January 1, 2014. License applications shall be received and processed on a phased-in schedule as determined by the commissioner beginning July 1, 2013. Licenses will be issued thereafter upon the commissioner's determination that the application is complete according to section 245A.04.

(c) Within the limits of available appropriations or other administrative cost recovery methodology, implementation of compliance monitoring must be phased in after January 1, 2014.

(1) Applicants who do not currently hold a license issued under chapter 245B must receive an initial compliance monitoring visit after 12 months of the effective date of the initial license for the purpose of providing technical assistance on how to achieve and maintain compliance with the applicable law or rules governing the provision of home and community-based services under chapter 245D. If during the review the commissioner finds that the license holder has failed to achieve compliance with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a licensing review report with recommendations for achieving and maintaining compliance.

(2) Applicants who do currently hold a license issued under this chapter must receive a compliance monitoring visit after 24 months of the effective date of the initial license.

(d) Nothing in this subdivision shall be construed to limit the commissioner's authority to suspend or revoke a license or issue a fine at any time under section 245A.07, or issue correction orders and make a license conditional for failure to comply with applicable laws or rules under section 245A.06, based on the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

(e) License holders governed under chapter 245D must ensure compliance with the following requirements within the stated timelines:

(1) service initiation and service planning requirements must be met at the next annual meeting of the person's support team or by January 1, 2015, whichever is later, for the following:

(i) provision of a written notice that identifies the service recipient rights and an explanation of those rights as required under section 245D.04, subdivision 1;

(ii) service planning for basic support services as required under section 245D.07, subdivision 2; and

(iii) service planning for intensive support services under section 245D.071, subdivisions 3 and 4;

(2) staff orientation to program requirements as required under section 245D.09, subdivision 4, for staff hired before January 1, 2014, must be met by January 1, 2015. The license holder may otherwise provide documentation verifying these requirements were met before January 1, 2014;

(3) development of policy and procedures as required under section 245D.11, must be completed no later than August 31, 2014;

(4) written or electronic notice and copies of policies and procedures must be provided to all persons or their legal representatives and case managers as required under section 245D.10, subdivision 4, paragraphs (b) and (c), by September 15, 2014, or within 30 days of development of the required policies and procedures, whichever is earlier; and

(5) all employees must be informed of the revisions and training must be provided on implementation of the revised policies and procedures as required under section 245D.10, subdivision 4, paragraph (d), by September 15, 2014, or within 30 days of development of the required policies and procedures, whichever is earlier.

Sec. 6. Minnesota Statutes 2013 Supplement, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04 and background studies for family child care under chapter 245C; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06, or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and child foster care, dual licensure of child and adult foster care, and adult foster care and family child care;

(2) adult foster care maximum capacity;

(3) adult foster care minimum age requirement;

(4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals except that county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment;

(6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours; and

(7) variances for community residential setting licenses under chapter 245D.

Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(b) County agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(c) For family day care programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(d) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(e) A license issued under this section may be issued for up to two years.

(f) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

(g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and private agencies.

Sec. 7. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 3, is amended to read:

Subd. 3. **Case manager.** "Case manager" means the individual designated to provide waiver case management services, care coordination, or long-term care consultation, as specified in sections 256B.0913, 256B.0915, 256B.092, and 256B.49, or successor provisions. For purposes of this chapter, "case manager" includes case management services as defined in Minnesota Rules, part 9520.0902, subpart 3.

Sec. 8. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 4b, is amended to read:

Subd. 4b. **Coordinated service and support plan.** "Coordinated service and support plan" has the meaning given in sections 256B.0913, subdivision 8; 256B.0915, subdivision 6; 256B.092, subdivision 1b; and 256B.49, subdivision 15, or successor provisions. For purposes of this chapter, "coordinated service and support plan" includes the individual program plan or individual treatment plan as defined in Minnesota Rules, part 9520.0510, subpart 12.

Sec. 9. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 8b, is amended to read:

Subd. 8b. **Expanded support team.** "Expanded support team" means the members of the support team defined in subdivision ~~46~~ 34 and a licensed health or mental health professional or other licensed, certified, or qualified professionals or consultants working with the person and included in the team at the request of the person or the person's legal representative.

Sec. 10. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 11, is amended to read:

Subd. 11. **Incident.** "Incident" means an occurrence which involves a person and requires the program to make a response that is not a part of the program's ordinary provision of services to that person, and includes:

- (1) serious injury of a person as determined by section 245.91, subdivision 6;
- (2) a person's death;
- (3) any medical emergency, unexpected serious illness, or significant unexpected change in an illness or medical condition of a person that requires the program to call 911, physician treatment, or hospitalization;
- (4) any mental health crisis that requires the program to call 911 ~~or~~ a mental health crisis intervention team, or a similar mental health response team or service when available and appropriate;
- (5) an act or situation involving a person that requires the program to call 911, law enforcement, or the fire department;
- (6) a person's unauthorized or unexplained absence from a program;
- (7) conduct by a person receiving services against another person receiving services that:
 - (i) is so severe, pervasive, or objectively offensive that it substantially interferes with a person's opportunities to participate in or receive service or support;
 - (ii) places the person in actual and reasonable fear of harm;
 - (iii) places the person in actual and reasonable fear of damage to property of the person; or
 - (iv) substantially disrupts the orderly operation of the program;
- (8) any sexual activity between persons receiving services involving force or coercion as defined under section 609.341, subdivisions 3 and 14;
- (9) any emergency use of manual restraint as identified in section 245D.061 or successor provisions; or

(10) a report of alleged or suspected child or vulnerable adult maltreatment under section 626.556 or 626.557.

Sec. 11. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 15b, is amended to read:

Subd. 15b. **Mechanical restraint.** ~~(a) Except for devices worn by the person that trigger electronic alarms to warn staff that a person is leaving a room or area, which do not, in and of themselves, restrict freedom of movement, or the use of adaptive aids or equipment or orthotic devices ordered by a health care professional used to treat or manage a medical condition,~~ "Mechanical restraint" means the use of devices, materials, or equipment attached or adjacent to the person's body, or the use of practices that are intended to restrict freedom of movement or normal access to one's body or body parts, or limits a person's voluntary movement or holds a person immobile as an intervention precipitated by a person's behavior. The term applies to the use of mechanical restraint used to prevent injury with persons who engage in self-injurious behaviors, such as head-banging, gouging, or other actions resulting in tissue damage that have caused or could cause medical problems resulting from the self-injury.

(b) Mechanical restraint does not include the following:

(1) devices worn by the person that trigger electronic alarms to warn staff that a person is leaving a room or area, which do not, in and of themselves, restrict freedom of movement; or

(2) the use of adaptive aids or equipment or orthotic devices ordered by a health care professional used to treat or manage a medical condition.

Sec. 12. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 29, is amended to read:

Subd. 29. **Seclusion.** "Seclusion" means ~~the placement of a person alone in:~~ (1) removing a person involuntarily to a room from which exit is prohibited by a staff person or a mechanism such as a lock, a device, or an object positioned to hold the door closed or otherwise prevent the person from leaving the room; or (2) otherwise involuntarily removing or separating a person from an area, activity, situation, or social contact with others and blocking or preventing the person's return.

Sec. 13. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 34, is amended to read:

Subd. 34. **Support team.** "Support team" means the service planning team identified in section 256B.49, subdivision 15, ~~or~~ the interdisciplinary team identified in Minnesota Rules, part 9525.0004, subpart 14; or the case management team as defined in Minnesota Rules, part 9520.0902, subpart 6.

Sec. 14. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 34a, is amended to read:

Subd. 34a. **Time out.** "Time out" means ~~removing a person involuntarily from an ongoing activity to a room, either locked or unlocked, or otherwise separating a person from others in a way that prevents social contact and prevents the person from leaving the situation if the person chooses~~ the involuntary removal of a person for a period of time to a designated area from which the person is not prevented from leaving. For the purpose of this chapter, "time out" does not mean voluntary removal or self-removal for the purpose of calming, prevention of escalation, or de-escalation of behavior ~~for a period of up to 15 minutes.~~ "Time out" does not include a person voluntarily moving from an ongoing activity to an unlocked room or otherwise separating from a situation or social contact with others if the person chooses. For the purposes of this definition, "voluntarily" means ~~without being forced, compelled, or coerced;~~ nor does it mean taking a brief "break" or "rest" from an activity for the purpose of providing the person an opportunity to regain self-control.

Sec. 15. Minnesota Statutes 2013 Supplement, section 245D.02, is amended by adding a subdivision to read:

Subd. 35b. **Unlicensed staff.** "Unlicensed staff" means individuals not otherwise licensed or certified by a governmental health board or agency.

Sec. 16. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home and community-based services to persons with disabilities and persons age 65 and older pursuant to this chapter. The licensing standards in this chapter govern the provision of basic support services and intensive support services.

(b) Basic support services provide the level of assistance, supervision, and care that is necessary to ensure the health and safety of the person and do not include services that are specifically directed toward the training, treatment, habilitation, or rehabilitation of the person. Basic support services include:

(1) in-home and out-of-home respite care services as defined in section 245A.02, subdivision 15, and under the brain injury, community alternative care, community alternatives for disabled individuals, developmental disability, and elderly waiver plans, excluding out-of-home respite care provided to children in a family child foster care home licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which must be stipulated in the statement of intended use required under Minnesota Rules, part 2960.3000, subpart 4;

(2) adult companion services as defined under the brain injury, community alternatives for disabled individuals, and elderly waiver plans, excluding adult companion services provided under the Corporation for National and Community Services Senior Companion Program established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

(3) personal support as defined under the developmental disability waiver plan;

(4) 24-hour emergency assistance, personal emergency response as defined under the community alternatives for disabled individuals and developmental disability waiver plans;

(5) night supervision services as defined under the brain injury waiver plan; and

(6) homemaker services as defined under the community alternatives for disabled individuals, brain injury, community alternative care, developmental disability, and elderly waiver plans, excluding providers licensed by the Department of Health under chapter 144A and those providers providing cleaning services only.

(c) Intensive support services provide assistance, supervision, and care that is necessary to ensure the health and safety of the person and services specifically directed toward the training, habilitation, or rehabilitation of the person. Intensive support services include:

(1) intervention services, including:

(i) behavioral support services as defined under the brain injury and community alternatives for disabled individuals waiver plans;

(ii) in-home or out-of-home crisis respite services as defined under the developmental disability waiver plan; and

(iii) specialist services as defined under the current developmental disability waiver plan;

(2) in-home support services, including:

(i) in-home family support and supported living services as defined under the developmental disability waiver plan;

(ii) independent living services training as defined under the brain injury and community alternatives for disabled individuals waiver plans; and

(iii) semi-independent living services;

(3) residential supports and services, including:

(i) supported living services as defined under the developmental disability waiver plan provided in a family or corporate child foster care residence, a family adult foster care residence, a community residential setting, or a supervised living facility;

(ii) foster care services as defined in the brain injury, community alternative care, and community alternatives for disabled individuals waiver plans provided in a family or corporate child foster care residence, a family adult foster care residence, or a community residential setting; and

(iii) residential services provided to more than four persons with developmental disabilities in a supervised living facility that is certified by the Department of Health as an ICF/DD, including ICFs/DD;

(4) day services, including:

(i) structured day services as defined under the brain injury waiver plan;

(ii) day training and habilitation services under sections 252.40 to 252.46, and as defined under the developmental disability waiver plan; and

(iii) prevocational services as defined under the brain injury and community alternatives for disabled individuals waiver plans; and

(5) supported employment as defined under the brain injury, developmental disability, and community alternatives for disabled individuals waiver plans.

Sec. 17. Minnesota Statutes 2013 Supplement, section 245D.03, is amended by adding a subdivision to read:

Subd. 1a. **Effect.** The home and community-based services standards establish health, safety, welfare, and rights protections for persons receiving services governed by this chapter. The standards recognize the diversity of persons receiving these services and require that these services are provided in a manner that meets each person's individual needs and ensures continuity in service planning, care, and coordination between the license holder and members of each person's support team or expanded support team.

Sec. 18. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 2, is amended to read:

Subd. 2. **Relationship to other standards governing home and community-based services.** (a) A license holder governed by this chapter is also subject to the licensure requirements under chapter 245A.

(b) ~~A corporate or family child foster care site controlled by a license holder and providing services governed by this chapter is exempt from compliance with section 245D.04. This exemption applies to foster care homes where at least one resident is receiving residential supports and services licensed according to this chapter. This chapter does not apply to corporate or family child foster care homes that do not provide services licensed under this chapter.~~

(c) A family adult foster care site controlled by a license holder ~~and~~ providing services governed by this chapter is exempt from compliance with Minnesota Rules, parts 9555.6185; 9555.6225, subpart 8; 9555.6245; 9555.6255; and 9555.6265. These exemptions apply to family adult foster care homes where at least one resident is receiving residential supports and services licensed according to this chapter. This chapter does not apply to family adult foster care homes that do not provide services licensed under this chapter.

(d) A license holder providing services licensed according to this chapter in a supervised living facility is exempt from compliance with ~~sections~~ section 245D.04; 245D.05, subdivision 2; and 245D.06, subdivision 2, clauses (1), (4), and (5).

(e) A license holder providing residential services to persons in an ICF/DD is exempt from compliance with sections 245D.04; 245D.05, subdivision 1b; 245D.06, subdivision 2, clauses (4) and (5); 245D.071, subdivisions 4 and 5; 245D.081, subdivision 2; 245D.09, subdivision 7; 245D.095, subdivision 2; and 245D.11, subdivision 3.

(f) A license holder providing homemaker services licensed according to this chapter and registered according to chapter 144A is exempt from compliance with section 245D.04.

(g) Nothing in this chapter prohibits a license holder from concurrently serving persons without disabilities or people who are or are not age 65 and older, provided this chapter's standards are met as well as other relevant standards.

(h) The documentation required under sections 245D.07 and 245D.071 must meet the individual program plan requirements identified in section 256B.092 or successor provisions.

Sec. 19. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 3, is amended to read:

Subd. 3. **Variance.** If the conditions in section 245A.04, subdivision 9, are met, the commissioner may grant a variance to any of the requirements in this chapter, except sections 245D.04; 245D.06, subdivision 4, paragraph (b), and subdivision 6, or successor provisions; and 245D.061, subdivision 3, or provisions governing data practices and information rights of persons.

Sec. 20. Minnesota Statutes 2013 Supplement, section 245D.04, subdivision 3, is amended to read:

Subd. 3. **Protection-related rights.** (a) A person's protection-related rights include the right to:

(1) have personal, financial, service, health, and medical information kept private, and be advised of disclosure of this information by the license holder;

(2) access records and recorded information about the person in accordance with applicable state and federal law, regulation, or rule;

(3) be free from maltreatment;

(4) be free from restraint, time out, ~~or~~ seclusion, restrictive intervention, or other prohibited procedure identified in section 245D.06, subdivision 5, or successor provisions, except for: (i) emergency use of manual restraint to protect the person from imminent danger to self or others according to the requirements in section 245D.06; 245D.061 or successor provisions; or (ii) the use of safety interventions as part of a positive support transition plan under section 245D.06, subdivision 8, or successor provisions;

(5) receive services in a clean and safe environment when the license holder is the owner, lessor, or tenant of the service site;

- (6) be treated with courtesy and respect and receive respectful treatment of the person's property;
 - (7) reasonable observance of cultural and ethnic practice and religion;
 - (8) be free from bias and harassment regarding race, gender, age, disability, spirituality, and sexual orientation;
 - (9) be informed of and use the license holder's grievance policy and procedures, including knowing how to contact persons responsible for addressing problems and to appeal under section 256.045;
 - (10) know the name, telephone number, and the Web site, e-mail, and street addresses of protection and advocacy services, including the appropriate state-appointed ombudsman, and a brief description of how to file a complaint with these offices;
 - (11) assert these rights personally, or have them asserted by the person's family, authorized representative, or legal representative, without retaliation;
 - (12) give or withhold written informed consent to participate in any research or experimental treatment;
 - (13) associate with other persons of the person's choice;
 - (14) personal privacy; and
 - (15) engage in chosen activities.
- (b) For a person residing in a residential site licensed according to chapter 245A, or where the license holder is the owner, lessor, or tenant of the residential service site, protection-related rights also include the right to:
- (1) have daily, private access to and use of a non-coin-operated telephone for local calls and long-distance calls made collect or paid for by the person;
 - (2) receive and send, without interference, uncensored, unopened mail or electronic correspondence or communication;
 - (3) have use of and free access to common areas in the residence; and
 - (4) privacy for visits with the person's spouse, next of kin, legal counsel, religious advisor, or others, in accordance with section 363A.09 of the Human Rights Act, including privacy in the person's bedroom.
- (c) Restriction of a person's rights under ~~subdivision 2, clause (10), or~~ paragraph (a), clauses (13) to (15), or paragraph (b) is allowed only if determined necessary to ensure the health, safety, and well-being of the person. Any restriction of those rights must be documented in the person's coordinated service and support plan or coordinated service and support plan addendum. The restriction must be implemented in the least restrictive alternative manner necessary to protect the person and provide support to reduce or eliminate the need for the restriction in the most integrated setting and inclusive manner. The documentation must include the following information:
- (1) the justification for the restriction based on an assessment of the person's vulnerability related to exercising the right without restriction;
 - (2) the objective measures set as conditions for ending the restriction;

(3) a schedule for reviewing the need for the restriction based on the conditions for ending the restriction to occur semiannually from the date of initial approval, at a minimum, or more frequently if requested by the person, the person's legal representative, if any, and case manager; and

(4) signed and dated approval for the restriction from the person, or the person's legal representative, if any. A restriction may be implemented only when the required approval has been obtained. Approval may be withdrawn at any time. If approval is withdrawn, the right must be immediately and fully restored.

Sec. 21. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1, is amended to read:

Subdivision 1. **Health needs.** (a) The license holder is responsible for meeting health service needs assigned in the coordinated service and support plan or the coordinated service and support plan addendum, consistent with the person's health needs. The license holder is responsible for promptly notifying the person's legal representative, if any, and the case manager of changes in a person's physical and mental health needs affecting health service needs assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, when discovered by the license holder, unless the license holder has reason to know the change has already been reported. The license holder must document when the notice is provided.

(b) If responsibility for meeting the person's health service needs has been assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, the license holder must maintain documentation on how the person's health needs will be met, including a description of the procedures the license holder will follow in order to:

(1) provide medication setup, assistance, or medication administration according to this chapter. Unlicensed staff responsible for medication setup or medication administration under this section must complete training according to section 245D.09, subdivision 4a, paragraph (d);

(2) monitor health conditions according to written instructions from a licensed health professional;

(3) assist with or coordinate medical, dental, and other health service appointments; or

(4) use medical equipment, devices, or adaptive aides or technology safely and correctly according to written instructions from a licensed health professional.

Sec. 22. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1a, is amended to read:

Subd. 1a. **Medication setup.** (a) For the purposes of this subdivision, "medication setup" means the arranging of medications according to instructions from the pharmacy, the prescriber, or a licensed nurse, for later administration when the license holder is assigned responsibility ~~for medication assistance or medication administration~~ in the coordinated service and support plan or the coordinated service and support plan addendum. A prescription label or the prescriber's written or electronically recorded order for the prescription is sufficient to constitute written instructions from the prescriber.

(b) If responsibility for medication setup is assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, or if the license holder provides it as part of medication assistance or medication administration, the license holder must document in the person's medication administration record: dates of setup, name of medication, quantity of dose, times to be administered, and route of administration at time of setup; and, when the person will be away from home, to whom the medications were given.

Sec. 23. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1b, is amended to read:

Subd. 1b. **Medication assistance.** (a) For purposes of this subdivision, "medication assistance" means any of the following:

(1) bringing to the person and opening a container of previously set up medications, emptying the container into the person's hand, or opening and giving the medications in the original container to the person under the direction of the person;

(2) bringing to the person liquids or food to accompany the medication; or

(3) providing reminders to take regularly scheduled medication or perform regularly scheduled treatments and exercises.

(b) If responsibility for medication assistance is assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, the license holder must ensure that the requirements of subdivision 2, paragraph (b), have been met when staff provides medication assistance to enable is provided in a manner that enables a person to self-administer medication or treatment when the person is capable of directing the person's own care, or when the person's legal representative is present and able to direct care for the person. For the purposes of this subdivision, "medication assistance" means any of the following:

(1) bringing to the person and opening a container of previously set up medications, emptying the container into the person's hand, or opening and giving the medications in the original container to the person;

(2) bringing to the person liquids or food to accompany the medication; or

(3) providing reminders to take regularly scheduled medication or perform regularly scheduled treatments and exercises.

Sec. 24. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 2, is amended to read:

Subd. 2. **Medication administration.** (a) If responsibility for medication administration is assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, the license holder must implement the following medication administration procedures to ensure a person takes medications and treatments as prescribed For purposes of this subdivision, "medication administration" means:

(1) checking the person's medication record;

(2) preparing the medication as necessary;

(3) administering the medication or treatment to the person;

(4) documenting the administration of the medication or treatment or the reason for not administering the medication or treatment; and

(5) reporting to the prescriber or a nurse any concerns about the medication or treatment, including side effects, effectiveness, or a pattern of the person refusing to take the medication or treatment as prescribed. Adverse reactions must be immediately reported to the prescriber or a nurse.

(b)(1) If responsibility for medication administration is assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, the license holder must implement medication administration procedures to ensure a person takes medications and treatments as prescribed. The license holder must ensure that the requirements in clauses (2) ~~to (4)~~ and (3) have been met before administering medication or treatment.

(2) The license holder must obtain written authorization from the person or the person's legal representative to administer medication or treatment and must obtain reauthorization annually as needed. This authorization shall remain in effect unless it is withdrawn in writing and may be withdrawn at any time. If the person or the person's legal representative refuses to authorize the license holder to administer medication, the medication must not be administered. The refusal to authorize medication administration must be reported to the prescriber as expediently as possible.

~~(3) The staff person responsible for administering the medication or treatment must complete medication administration training according to section 245D.09, subdivision 4a, paragraphs (a) and (c), and, as applicable to the person, paragraph (d).~~

~~(4)~~ (3) For a license holder providing intensive support services, the medication or treatment must be administered according to the license holder's medication administration policy and procedures as required under section 245D.11, subdivision 2, clause (3).

(c) The license holder must ensure the following information is documented in the person's medication administration record:

(1) the information on the current prescription label or the prescriber's current written or electronically recorded order or prescription that includes the person's name, description of the medication or treatment to be provided, and the frequency and other information needed to safely and correctly administer the medication or treatment to ensure effectiveness;

(2) information on any risks or other side effects that are reasonable to expect, and any contraindications to its use. This information must be readily available to all staff administering the medication;

(3) the possible consequences if the medication or treatment is not taken or administered as directed;

(4) instruction on when and to whom to report the following:

(i) if a dose of medication is not administered or treatment is not performed as prescribed, whether by error by the staff or the person or by refusal by the person; and

(ii) the occurrence of possible adverse reactions to the medication or treatment;

(5) notation of any occurrence of a dose of medication not being administered or treatment not performed as prescribed, whether by error by the staff or the person or by refusal by the person, or of adverse reactions, and when and to whom the report was made; and

(6) notation of when a medication or treatment is started, administered, changed, or discontinued.

Sec. 25. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 4, is amended to read:

Subd. 4. **Reviewing and reporting medication and treatment issues.** (a) When assigned responsibility for medication administration, the license holder must ensure that the information maintained in the medication administration record is current and is regularly reviewed to identify medication administration errors. At a minimum, the review must be conducted every three months, or more frequently as directed in the coordinated service and support plan or coordinated service and support plan addendum or as requested by the person or the person's legal representative. Based on the review, the license holder must develop and implement a plan to correct patterns of medication administration errors when identified.

(b) If assigned responsibility for medication assistance or medication administration, the license holder must report the following to the person's legal representative and case manager as they occur or as otherwise directed in the coordinated service and support plan or the coordinated service and support plan addendum:

- (1) any reports ~~made to the person's physician or prescriber~~ required under subdivision 2, paragraph (c), clause (4);
- (2) a person's refusal or failure to take or receive medication or treatment as prescribed; or
- (3) concerns about a person's self-administration of medication or treatment.

Sec. 26. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 5, is amended to read:

Subd. 5. **Injectable medications.** Injectable medications may be administered according to a prescriber's order and written instructions when one of the following conditions has been met:

- (1) a registered nurse or licensed practical nurse will administer the ~~subcutaneous or intramuscular~~ injection;
- (2) a supervising registered nurse with a physician's order has delegated the administration of ~~subcutaneous~~ injectable medication to an unlicensed staff member and has provided the necessary training; or
- (3) there is an agreement signed by the license holder, the prescriber, and the person or the person's legal representative specifying what ~~subcutaneous~~ injections may be given, when, how, and that the prescriber must retain responsibility for the license holder's giving the injections. A copy of the agreement must be placed in the person's service recipient record.

Only licensed health professionals are allowed to administer psychotropic medications by injection.

Sec. 27. Minnesota Statutes 2013 Supplement, section 245D.051, is amended to read:

245D.051 PSYCHOTROPIC MEDICATION USE AND MONITORING.

Subdivision 1. **Conditions for psychotropic medication administration.** (a) When a person is prescribed a psychotropic medication and the license holder is assigned responsibility for administration of the medication in the person's coordinated service and support plan or the coordinated service and support plan addendum, the license holder must ensure that the requirements in ~~paragraphs (b) to (d) and~~ section 245D.05, subdivision 2, are met.

~~(b) Use of the medication must be included in the person's coordinated service and support plan or in the coordinated service and support plan addendum and based on a prescriber's current written or electronically recorded prescription.~~

~~(e)~~ (b) The license holder must develop, implement, and maintain the following documentation in the person's coordinated service and support plan addendum according to the requirements in sections 245D.07 and 245D.071:

- (1) a description of the target symptoms that the psychotropic medication is to alleviate; and
- (2) documentation methods the license holder will use to monitor and measure changes in the target symptoms that are to be alleviated by the psychotropic medication if required by the prescriber. The license holder must collect and report on medication and symptom-related data as instructed by the prescriber. The license holder must provide the monitoring data to the expanded support team for review every three months, or as otherwise requested by the person or the person's legal representative.

For the purposes of this section, "target symptom" refers to any perceptible diagnostic criteria for a person's diagnosed mental disorder, as defined by the Diagnostic and Statistical Manual of Mental Disorders Fourth Edition Text Revision (DSM-IV-TR) or successive editions, that has been identified for alleviation.

Subd. 2. **Refusal to authorize psychotropic medication.** If the person or the person's legal representative refuses to authorize the administration of a psychotropic medication as ordered by the prescriber, the license holder must ~~follow the requirement in section 245D.05, subdivision 2, paragraph (b), clause (2): not administer the medication. The refusal to authorize medication administration must be reported to the prescriber as expeditiously as possible.~~ After reporting the refusal to the prescriber, the license holder must follow any directives or orders given by the prescriber. ~~A court order must be obtained to override the refusal. A refusal may not be overridden without a court order.~~ Refusal to authorize administration of a specific psychotropic medication is not grounds for service termination and does not constitute an emergency. A decision to terminate services must be reached in compliance with section 245D.10, subdivision 3.

Sec. 28. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 1, is amended to read:

Subdivision 1. **Incident response and reporting.** (a) The license holder must respond to incidents under section 245D.02, subdivision 11, that occur while providing services to protect the health and safety of and minimize risk of harm to the person.

(b) The license holder must maintain information about and report incidents to the person's legal representative or designated emergency contact and case manager within 24 hours of an incident occurring while services are being provided, within 24 hours of discovery or receipt of information that an incident occurred, unless the license holder has reason to know that the incident has already been reported, or as otherwise directed in a person's coordinated service and support plan or coordinated service and support plan addendum. An incident of suspected or alleged maltreatment must be reported as required under paragraph (d), and an incident of serious injury or death must be reported as required under paragraph (e).

(c) When the incident involves more than one person, the license holder must not disclose personally identifiable information about any other person when making the report to each person and case manager unless the license holder has the consent of the person.

(d) Within 24 hours of reporting maltreatment as required under section 626.556 or 626.557, the license holder must inform the case manager of the report unless there is reason to believe that the case manager is involved in the suspected maltreatment. The license holder must disclose the nature of the activity or occurrence reported and the agency that received the report.

(e) The license holder must report the death or serious injury of the person as required in paragraph (b) and to the Department of Human Services Licensing Division, and the Office of Ombudsman for Mental Health and Developmental Disabilities as required under section 245.94, subdivision 2a, within 24 hours of the death, or receipt of information that the death occurred, unless the license holder has reason to know that the death has already been reported.

(f) When a death or serious injury occurs in a facility certified as an intermediate care facility for persons with developmental disabilities, the death or serious injury must be reported to the Department of Health, Office of Health Facility Complaints, and the Office of Ombudsman for Mental Health and Developmental Disabilities, as required under sections 245.91 and 245.94, subdivision 2a, unless the license holder has reason to know that the death has already been reported.

(g) The license holder must conduct an internal review of incident reports of deaths and serious injuries that occurred while services were being provided and that were not reported by the program as alleged or suspected maltreatment, for identification of incident patterns, and implementation of corrective action as necessary to reduce

occurrences. The review must include an evaluation of whether related policies and procedures were followed, whether the policies and procedures were adequate, whether there is a need for additional staff training, whether the reported event is similar to past events with the persons or the services involved, and whether there is a need for corrective action by the license holder to protect the health and safety of persons receiving services. Based on the results of this review, the license holder must develop, document, and implement a corrective action plan designed to correct current lapses and prevent future lapses in performance by staff or the license holder, if any.

(h) The license holder must verbally report the emergency use of manual restraint of a person as required in paragraph (b) within 24 hours of the occurrence. The license holder must ensure the written report and internal review of all incident reports of the emergency use of manual restraints are completed according to the requirements in section 245D.061 or successor provisions.

Sec. 29. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 2, is amended to read:

Subd. 2. **Environment and safety.** The license holder must:

(1) ensure the following when the license holder is the owner, lessor, or tenant of the service site:

(i) the service site is a safe and hazard-free environment;

(ii) that toxic substances or dangerous items are inaccessible to persons served by the program only to protect the safety of a person receiving services when a known safety threat exists and not as a substitute for staff supervision or interactions with a person who is receiving services. If toxic substances or dangerous items are made inaccessible, the license holder must document an assessment of the physical plant, its environment, and its population identifying the risk factors which require toxic substances or dangerous items to be inaccessible and a statement of specific measures to be taken to minimize the safety risk to persons receiving services and to restore accessibility to all persons receiving services at the service site;

(iii) doors are locked from the inside to prevent a person from exiting only when necessary to protect the safety of a person receiving services and not as a substitute for staff supervision or interactions with the person. If doors are locked from the inside, the license holder must document an assessment of the physical plant, the environment and the population served, identifying the risk factors which require the use of locked doors, and a statement of specific measures to be taken to minimize the safety risk to persons receiving services at the service site; and

(iv) a staff person is available at the service site who is trained in basic first aid and, when required in a person's coordinated service and support plan or coordinated service and support plan addendum, cardiopulmonary resuscitation (CPR) whenever persons are present and staff are required to be at the site to provide direct support service. The CPR training must include in-person instruction, hands-on practice, and an observed skills assessment under the direct supervision of a CPR instructor;

(2) maintain equipment, vehicles, supplies, and materials owned or leased by the license holder in good condition when used to provide services;

(3) follow procedures to ensure safe transportation, handling, and transfers of the person and any equipment used by the person, when the license holder is responsible for transportation of a person or a person's equipment;

(4) be prepared for emergencies and follow emergency response procedures to ensure the person's safety in an emergency; and

(5) follow universal precautions and sanitary practices, including hand washing, for infection prevention and control, and to prevent communicable diseases.

Sec. 30. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 4, is amended to read:

Subd. 4. **Funds and property; legal representative restrictions.** (a) Whenever the license holder assists a person with the safekeeping of funds or other property according to section 245A.04, subdivision 13, the license holder must obtain written authorization to do so from the person or the person's legal representative and the case manager. Authorization must be obtained within five working days of service initiation and renewed annually thereafter. At the time initial authorization is obtained, the license holder must survey, document, and implement the preferences of the person or the person's legal representative and the case manager for frequency of receiving a statement that itemizes receipts and disbursements of funds or other property. The license holder must document changes to these preferences when they are requested.

(b) A license holder or staff person may not accept powers-of-attorney from a person receiving services from the license holder for any purpose. This does not apply to license holders that are Minnesota counties or other units of government or to staff persons employed by license holders who were acting as attorney-in-fact for specific individuals prior to implementation of this chapter. The license holder must maintain documentation of the power-of-attorney in the service recipient record.

(c) A license holder or staff person is restricted from accepting an appointment as a guardian as follows:

(1) under section 524.5-309 of the Uniform Probate Code, any individual or agency that provides residence, custodial care, medical care, employment training, or other care or services for which the individual or agency receives a fee may not be appointed as guardian unless related to the respondent by blood, marriage, or adoption; and

(2) under section 245A.03, subdivision 2, paragraph (a), clause (1), a related individual as defined under section 245A.02, subdivision 13, is excluded from licensure. Services provided by a license holder to a person under the license holder's guardianship are not licensed services.

~~(c)~~ (d) Upon the transfer or death of a person, any funds or other property of the person must be surrendered to the person or the person's legal representative, or given to the executor or administrator of the estate in exchange for an itemized receipt.

Sec. 31. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 6, is amended to read:

Subd. 6. **Restricted procedures.** (a) The following procedures are allowed when the procedures are implemented in compliance with the standards governing their use as identified in clauses (1) to (3). Allowed but restricted procedures include:

- (1) permitted actions and procedures subject to the requirements in subdivision 7;
- (2) procedures identified in a positive support transition plan subject to the requirements in subdivision 8; or
- (3) emergency use of manual restraint subject to the requirements in section 245D.061.

For purposes of this chapter, this section supersedes the requirements identified in Minnesota Rules, part 9525.2740.

(b) A restricted procedure identified in paragraph (a) must not:

(1) be implemented with a child in a manner that constitutes sexual abuse, neglect, physical abuse, or mental injury, as defined in section 626.556, subdivision 2;

(2) be implemented with an adult in a manner that constitutes abuse or neglect as defined in section 626.5572, subdivision 2 or 17;

(3) be implemented in a manner that violates a person's rights identified in section 245D.04;

(4) restrict a person's normal access to a nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping conditions, necessary clothing, or any protection required by state licensing standards or federal regulations governing the program;

(5) deny the person visitation or ordinary contact with legal counsel, a legal representative, or next of kin;

(6) be used for the convenience of staff, as punishment, as a substitute for adequate staffing, or as a consequence if the person refuses to participate in the treatment or services provided by the program;

(7) use prone restraint. For purposes of this section, "prone restraint" means use of manual restraint that places a person in a face-down position. Prone restraint does not include brief physical holding of a person who, during an emergency use of manual restraint, rolls into a prone position, if the person is restored to a standing, sitting, or side-lying position as quickly as possible;

(8) apply back or chest pressure while a person is in a prone position as identified in clause (7), supine position, or side-lying position; or

(9) be implemented in a manner that is contraindicated for any of the person's known medical or psychological limitations.

Sec. 32. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 7, is amended to read:

Subd. 7. **Permitted actions and procedures.** (a) Use of the instructional techniques and intervention procedures as identified in paragraphs (b) and (c) is permitted when used on an intermittent or continuous basis. When used on a continuous basis, it must be addressed in a person's coordinated service and support plan addendum as identified in sections 245D.07 and 245D.071. For purposes of this chapter, the requirements of this subdivision supersede the requirements identified in Minnesota Rules, part 9525.2720.

(b) Physical contact or instructional techniques must use the least restrictive alternative possible to meet the needs of the person and may be used:

(1) to calm or comfort a person by holding that person with no resistance from that person;

(2) to protect a person known to be at risk ~~of~~ of injury due to frequent falls as a result of a medical condition;

(3) to facilitate the person's completion of a task or response when the person does not resist or the person's resistance is minimal in intensity and duration; ~~or~~

(4) to ~~briefly~~ block or redirect a person's limbs or body without holding the person or limiting the person's movement to interrupt the person's behavior that may result in injury to self or others- with less than 60 seconds of physical contact by staff; or

(5) to redirect a person's behavior when the behavior does not pose a serious threat to the person or others and the behavior is effectively redirected with less than 60 seconds of physical contact by staff.

(c) Restraint may be used as an intervention procedure to:

(1) allow a licensed health care professional to safely conduct a medical examination or to provide medical treatment ordered by a licensed health care professional to a person necessary to promote healing or recovery from an acute, meaning short-term, medical condition;

(2) assist in the safe evacuation or redirection of a person in the event of an emergency and the person is at imminent risk of harm; or

~~Any use of manual restraint as allowed in this paragraph must comply with the restrictions identified in section 245D.061, subdivision 3; or~~

(3) position a person with physical disabilities in a manner specified in the person's coordinated service and support plan addendum.

Any use of manual restraint as allowed in this paragraph must comply with the restrictions identified in subdivision 6, paragraph (b).

(d) Use of adaptive aids or equipment, orthotic devices, or other medical equipment ordered by a licensed health professional to treat a diagnosed medical condition do not in and of themselves constitute the use of mechanical restraint.

(e) Use of an auxiliary device to ensure a person does not unfasten a seat belt when being transported in a vehicle in accordance with seat belt use requirements in section 169.686 does not constitute the use of mechanical restraint.

Sec. 33. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 8, is amended to read:

Subd. 8. **Positive support transition plan.** (a) License holders must develop a positive support transition plan on the forms and in the manner prescribed by the commissioner for a person who requires intervention in order to maintain safety when it is known that the person's behavior poses an immediate risk of physical harm to self or others. The positive support transition plan forms and instructions will supersede the requirements in Minnesota Rules, parts 9525.2750; 9525.2760; and 9525.2780. The positive support transition plan must phase out any existing plans for the emergency or programmatic use of ~~aversive or deprivation procedures~~ restrictive interventions prohibited under this chapter within the following timelines:

(1) for persons receiving services from the license holder before January 1, 2014, the plan must be developed and implemented by February 1, 2014, and phased out no later than December 31, 2014; and

(2) for persons admitted to the program on or after January 1, 2014, the plan must be developed and implemented within 30 calendar days of service initiation and phased out no later than 11 months from the date of plan implementation.

(b) The commissioner has limited authority to grant approval for the emergency use of procedures identified in subdivision 6 that had been part of an approved positive support transition plan when a person is at imminent risk of serious injury as defined in section 245.91, subdivision 6, due to self-injurious behavior and the following conditions are met:

(1) the person's expanded support team approves the emergency use of the procedures; and

(2) the interim review panel established in section 245.8251, subdivision 4, recommends commissioner approval of the emergency use of the procedures.

(c) Written requests for the emergency use of the procedures must be developed and submitted to the commissioner by the designated coordinator with input from the person's expanded support team in accordance with the requirements set by the interim review panel, in addition to the following:

(1) a copy of the person's current positive support transition plan and copies of each positive support transition plan review containing data on the progress of the plan from the previous year;

(2) documentation of a good faith effort to eliminate the use of the procedures that had been part of an approved positive support transition plan;

(3) justification for the continued use of the procedures that identifies the imminent risk of serious injury due to the person's self-injurious behavior if the procedures were eliminated;

(4) documentation of the clinicians consulted in creating and maintaining the positive support transition plan; and

(5) documentation of the expanded support team's approval and the recommendation from the interim panel required under paragraph (b).

(d) A copy of the written request, supporting documentation, and the commissioner's final determination on the request must be maintained in the person's service recipient record.

Sec. 34. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 3, is amended to read:

Subd. 3. **Assessment and initial service planning.** (a) Within 15 days of service initiation the license holder must complete a preliminary coordinated service and support plan addendum based on the coordinated service and support plan.

~~(b) Within 45 days of service initiation the license holder must meet with the person, the person's legal representative, the case manager, and other members of the support team or expanded support team to assess and determine the following based on the person's coordinated service and support plan and the requirements in subdivision 4 and section 245D.07, subdivision 1a:~~

~~(1) the scope of the services to be provided to support the person's daily needs and activities;~~

~~(2) the person's desired outcomes and the supports necessary to accomplish the person's desired outcomes;~~

~~(3) the person's preferences for how services and supports are provided;~~

~~(4) whether the current service setting is the most integrated setting available and appropriate for the person; and~~

~~(5) how services must be coordinated across other providers licensed under this chapter serving the same person to ensure continuity of care for the person.~~

~~(c) Within the scope of services, the license holder must, at a minimum, assess the following areas:~~

~~(1) the person's ability to self-manage health and medical needs to maintain or improve physical, mental, and emotional well being, including, when applicable, allergies, seizures, choking, special dietary needs, chronic medical conditions, self administration of medication or treatment orders, preventative screening, and medical and dental appointments;~~

~~(2) the person's ability to self manage personal safety to avoid injury or accident in the service setting, including, when applicable, risk of falling, mobility, regulating water temperature, community survival skills, water safety skills, and sensory disabilities; and~~

~~(3) the person's ability to self manage symptoms or behavior that may otherwise result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to (7), suspension or termination of services by the license holder, or other symptoms or behaviors that may jeopardize the health and safety of the person or others. The assessments must produce information about the person that is descriptive of the person's overall strengths, functional skills and abilities, and behaviors or symptoms.~~

(b) Within the scope of services, the license holder must, at a minimum, complete assessments in the following areas before the 45-day planning meeting:

(1) the person's ability to self-manage health and medical needs to maintain or improve physical, mental, and emotional well-being, including, when applicable, allergies, seizures, choking, special dietary needs, chronic medical conditions, self-administration of medication or treatment orders, preventative screening, and medical and dental appointments;

(2) the person's ability to self-manage personal safety to avoid injury or accident in the service setting, including, when applicable, risk of falling, mobility, regulating water temperature, community survival skills, water safety skills, and sensory disabilities; and

(3) the person's ability to self-manage symptoms or behavior that may otherwise result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to (7), suspension or termination of services by the license holder, or other symptoms or behaviors that may jeopardize the health and safety of the person or others.

Assessments must produce information about the person that describes the person's overall strengths, functional skills and abilities, and behaviors or symptoms. Assessments must be based on the person's status within the last 12 months at the time of service initiation. Assessments based on older information must be documented and justified. Assessments must be conducted annually at a minimum or within 30 days of a written request from the person or the person's legal representative or case manager. The results must be reviewed by the support team or expanded support team as part of a service plan review.

(c) Within 45 days of service initiation, the license holder must meet with the person, the person's legal representative, the case manager, and other members of the support team or expanded support team to determine the following based on information obtained from the assessments identified in paragraph (b), the person's identified needs in the coordinated service and support plan, and the requirements in subdivision 4 and section 245D.07, subdivision 1a:

(1) the scope of the services to be provided to support the person's daily needs and activities;

(2) the person's desired outcomes and the supports necessary to accomplish the person's desired outcomes;

(3) the person's preferences for how services and supports are provided;

(4) whether the current service setting is the most integrated setting available and appropriate for the person; and

(5) how services must be coordinated across other providers licensed under this chapter serving the person and members of the support team or expanded support team to ensure continuity of care and coordination of services for the person.

Sec. 35. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 4, is amended to read:

Subd. 4. **Service outcomes and supports.** (a) Within ten working days of the 45-day planning meeting, the license holder must develop ~~and document~~ a service plan that documents the service outcomes and supports based on the assessments completed under subdivision 3 and the requirements in section 245D.07, subdivision 1a. The outcomes and supports must be included in the coordinated service and support plan addendum.

(b) The license holder must document the supports and methods to be implemented to support the ~~accomplishment of person and accomplish~~ outcomes related to acquiring, retaining, or improving skills and physical, mental, and emotional health and well-being. The documentation must include:

(1) the methods or actions that will be used to support the person and to accomplish the service outcomes, including information about:

(i) any changes or modifications to the physical and social environments necessary when the service supports are provided;

(ii) any equipment and materials required; and

(iii) techniques that are consistent with the person's communication mode and learning style;

(2) the measurable and observable criteria for identifying when the desired outcome has been achieved and how data will be collected;

(3) the projected starting date for implementing the supports and methods and the date by which progress towards accomplishing the outcomes will be reviewed and evaluated; and

(4) the names of the staff or position responsible for implementing the supports and methods.

(c) Within 20 working days of the 45-day meeting, the license holder must obtain dated signatures from the person or the person's legal representative and case manager to document completion and approval of the assessment and coordinated service and support plan addendum.

Sec. 36. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 5, is amended to read:

Subd. 5. ~~Progress reviews~~ **Service plan review and evaluation.** (a) The license holder must give the person or the person's legal representative and case manager an opportunity to participate in the ongoing review and development of the service plan and the methods used to support the person and accomplish outcomes identified in subdivisions 3 and 4. The license holder, in coordination with the person's support team or expanded support team, must meet with the person, the person's legal representative, and the case manager, and participate in ~~progress~~ service plan review meetings following stated timelines established in the person's coordinated service and support plan or coordinated service and support plan addendum or within 30 days of a written request by the person, the person's legal representative, or the case manager, at a minimum of once per year. The purpose of the service plan review is to determine whether changes are needed to the service plan based on the assessment information, the license holder's evaluation of progress towards accomplishing outcomes, or other information provided by the support team or expanded support team.

(b) The license holder must summarize the person's status and progress toward achieving the identified outcomes and make recommendations and identify the rationale for changing, continuing, or discontinuing implementation of supports and methods identified in subdivision 4 in a written report sent to the person or the person's legal representative and case manager five working days prior to the review meeting, unless the person, the person's legal representative, or the case manager requests to receive the report at the time of the meeting.

(c) Within ten working days of the progress review meeting, the license holder must obtain dated signatures from the person or the person's legal representative and the case manager to document approval of any changes to the coordinated service and support plan addendum.

Sec. 37. Minnesota Statutes 2013 Supplement, section 245D.081, subdivision 2, is amended to read:

Subd. 2. **Coordination and evaluation of individual service delivery.** (a) Delivery and evaluation of services provided by the license holder must be coordinated by a designated staff person. The designated coordinator must provide supervision, support, and evaluation of activities that include:

(1) oversight of the license holder's responsibilities assigned in the person's coordinated service and support plan and the coordinated service and support plan addendum;

(2) taking the action necessary to facilitate the accomplishment of the outcomes according to the requirements in section 245D.07;

(3) instruction and assistance to direct support staff implementing the coordinated service and support plan and the service outcomes, including direct observation of service delivery sufficient to assess staff competency; and

(4) evaluation of the effectiveness of service delivery, methodologies, and progress on the person's outcomes based on the measurable and observable criteria for identifying when the desired outcome has been achieved according to the requirements in section 245D.07.

(b) The license holder must ensure that the designated coordinator is competent to perform the required duties identified in paragraph (a) through education ~~and~~ training ~~in human services and disability related fields~~, and work experience ~~in providing direct care services and supports to persons with disabilities~~ relevant to the needs of the general population of persons served by the license holder and the individual persons for whom the designated coordinator is responsible. The designated coordinator must have the skills and ability necessary to develop effective plans and to design and use data systems to measure effectiveness of services and supports. The license holder must verify and document competence according to the requirements in section 245D.09, subdivision 3. The designated coordinator must minimally have:

(1) a baccalaureate degree in a field related to human services, and one year of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older;

(2) an associate degree in a field related to human services, and two years of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older;

(3) a diploma in a field related to human services from an accredited postsecondary institution and three years of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older; or

(4) a minimum of 50 hours of education and training related to human services and disabilities; and

(5) four years of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older under the supervision of a staff person who meets the qualifications identified in clauses (1) to (3).

Sec. 38. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 3, is amended to read:

Subd. 3. **Staff qualifications.** (a) The license holder must ensure that staff providing direct support, or staff who have responsibilities related to supervising or managing the provision of direct support service, are competent as demonstrated through skills and knowledge training, experience, and education to meet the person's needs and

additional requirements as written in the coordinated service and support plan or coordinated service and support plan addendum, or when otherwise required by the case manager or the federal waiver plan. The license holder must verify and maintain evidence of staff competency, including documentation of:

(1) education and experience qualifications relevant to the job responsibilities assigned to the staff and to the needs of the general population of persons served by the program, including a valid degree and transcript, or a current license, registration, or certification, when a degree or licensure, registration, or certification is required by this chapter or in the coordinated service and support plan or coordinated service and support plan addendum;

(2) demonstrated competency in the orientation and training areas required under this chapter, and when applicable, completion of continuing education required to maintain professional licensure, registration, or certification requirements. Competency in these areas is determined by the license holder through knowledge testing ~~and~~ or observed skill assessment conducted by the trainer or instructor; and

(3) except for a license holder who is the sole direct support staff, periodic performance evaluations completed by the license holder of the direct support staff person's ability to perform the job functions based on direct observation.

(b) Staff under 18 years of age may not perform overnight duties or administer medication.

Sec. 39. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 4a, is amended to read:

Subd. 4a. **Orientation to individual service recipient needs.** (a) Before having unsupervised direct contact with a person served by the program, or for whom the staff person has not previously provided direct support, or any time the plans or procedures identified in paragraphs (b) to ~~(f)~~ (g) are revised, the staff person must review and receive instruction on the requirements in paragraphs (b) to ~~(f)~~ (g) as they relate to the staff person's job functions for that person.

(b) Training and competency evaluations must include the following:

(1) appropriate and safe techniques in personal hygiene and grooming, including hair care; bathing; care of teeth, gums, and oral prosthetic devices; and other activities of daily living (ADLs) as defined under section 256B.0659, subdivision 1;

(2) an understanding of what constitutes a healthy diet according to data from the Centers for Disease Control and Prevention and the skills necessary to prepare that diet;

(3) skills necessary to provide appropriate support in instrumental activities of daily living (IADLs) as defined under section 256B.0659, subdivision 1; and

(4) demonstrated competence in providing first aid.

(c) The staff person must review and receive instruction on the person's coordinated service and support plan or coordinated service and support plan addendum as it relates to the responsibilities assigned to the license holder, and when applicable, the person's individual abuse prevention plan, to achieve and demonstrate an understanding of the person as a unique individual, and how to implement those plans.

(d) The staff person must review and receive instruction on medication setup, assistance, or administration procedures established for the person when ~~medication administration is~~ assigned to the license holder according to section 245D.05, subdivision 1, paragraph (b). Unlicensed staff may ~~administer medications~~ perform medication setup or medication administration only after successful completion of a medication setup or medication

administration training, from a training curriculum developed by a registered nurse, ~~clinical nurse specialist in psychiatric and mental health nursing, certified nurse practitioner, physician's assistant, or physician~~ or appropriate licensed health professional. The training curriculum must incorporate an observed skill assessment conducted by the trainer to ensure unlicensed staff demonstrate the ability to safely and correctly follow medication procedures.

Medication administration must be taught by a registered nurse, clinical nurse specialist, certified nurse practitioner, physician's assistant, or physician if, at the time of service initiation or any time thereafter, the person has or develops a health care condition that affects the service options available to the person because the condition requires:

(1) specialized or intensive medical or nursing supervision; and

(2) nonmedical service providers to adapt their services to accommodate the health and safety needs of the person.

(e) The staff person must review and receive instruction on the safe and correct operation of medical equipment used by the person to sustain life, including but not limited to ventilators, feeding tubes, or endotracheal tubes. The training must be provided by a licensed health care professional or a manufacturer's representative and incorporate an observed skill assessment to ensure staff demonstrate the ability to safely and correctly operate the equipment according to the treatment orders and the manufacturer's instructions.

(f) The staff person must review and receive instruction on what constitutes use of restraints, time out, and seclusion, including chemical restraint, and staff responsibilities related to the prohibitions of their use according to the requirements in section 245D.06, subdivision 5 or successor provisions, why such procedures are not effective for reducing or eliminating symptoms or undesired behavior and why they are not safe, and the safe and correct use of manual restraint on an emergency basis according to the requirements in section 245D.061 or successor provisions.

(g) The staff person must review and receive instruction on mental health crisis response, de-escalation techniques, and suicide intervention when providing direct support to a person with a serious mental illness.

~~(g)~~ (h) In the event of an emergency service initiation, the license holder must ensure the training required in this subdivision occurs within 72 hours of the direct support staff person first having unsupervised contact with the person receiving services. The license holder must document the reason for the unplanned or emergency service initiation and maintain the documentation in the person's service recipient record.

~~(h)~~ (i) License holders who provide direct support services themselves must complete the orientation required in subdivision 4, clauses (3) to (7).

Sec. 40. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 2, is amended to read:

Subd. 2. **Behavior professional qualifications.** A behavior professional providing behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), as defined in the brain injury and community alternatives for disabled individuals waiver plans or successor plans, must have competencies in the following areas related to as required under the brain injury and community alternatives for disabled individuals waiver plans or successor plans:

(1) ethical considerations;

(2) functional assessment;

- (3) functional analysis;
- (4) measurement of behavior and interpretation of data;
- (5) selecting intervention outcomes and strategies;
- (6) behavior reduction and elimination strategies that promote least restrictive approved alternatives;
- (7) data collection;
- (8) staff and caregiver training;
- (9) support plan monitoring;
- (10) co-occurring mental disorders or neurocognitive disorder;
- (11) demonstrated expertise with populations being served; and
- (12) must be a:

(i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board of Psychology competencies in the above identified areas;

(ii) clinical social worker licensed as an independent clinical social worker under chapter 148D, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the areas identified in clauses (1) to (11);

(iii) physician licensed under chapter 147 and certified by the American Board of Psychiatry and Neurology or eligible for board certification in psychiatry with competencies in the areas identified in clauses (1) to (11);

(iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services who has demonstrated competencies in the areas identified in clauses (1) to (11);

(v) person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services with demonstrated competencies in the areas identified in clauses (1) to (11); or

(vi) registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization, or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services.

Sec. 41. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 3, is amended to read:

Subd. 3. **Behavior analyst qualifications.** (a) A behavior analyst providing behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), as defined in the brain injury and community alternatives for disabled individuals waiver plans or successor plans, must have competencies in the following areas as required under the brain injury and community alternatives for disabled individuals waiver plans or successor plans:

- (1) have obtained a baccalaureate degree, master's degree, or PhD in a social services discipline; or
- (2) meet the qualifications of a mental health practitioner as defined in section 245.462, subdivision 17.

(b) In addition, a behavior analyst must:

(1) have four years of supervised experience working with individuals who exhibit challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder;

(2) have received ten hours of instruction in functional assessment and functional analysis;

(3) have received 20 hours of instruction in the understanding of the function of behavior;

(4) have received ten hours of instruction on design of positive practices behavior support strategies;

(5) have received 20 hours of instruction on the use of behavior reduction approved strategies used only in combination with behavior positive practices strategies;

(6) be determined by a behavior professional to have the training and prerequisite skills required to provide positive practice strategies as well as behavior reduction approved and permitted intervention to the person who receives behavioral support; and

(7) be under the direct supervision of a behavior professional.

Sec. 42. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 4, is amended to read:

Subd. 4. **Behavior specialist qualifications.** (a) A behavior specialist providing behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), as defined in the brain injury and community alternatives for disabled individuals waiver plans or successor plans, must meet the following qualifications have competencies in the following areas as required under the brain injury and community alternatives for disabled individuals waiver plans or successor plans:

(1) have an associate's degree in a social services discipline; or

(2) have two years of supervised experience working with individuals who exhibit challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.

(b) In addition, a behavior specialist must:

(1) have received a minimum of four hours of training in functional assessment;

(2) have received 20 hours of instruction in the understanding of the function of behavior;

(3) have received ten hours of instruction on design of positive practices behavioral support strategies;

(4) be determined by a behavior professional to have the training and prerequisite skills required to provide positive practices strategies as well as behavior reduction approved intervention to the person who receives behavioral support; and

(5) be under the direct supervision of a behavior professional.

Sec. 43. Minnesota Statutes 2013 Supplement, section 245D.10, subdivision 3, is amended to read:

Subd. 3. **Service suspension and service termination.** (a) The license holder must establish policies and procedures for temporary service suspension and service termination that promote continuity of care and service coordination with the person and the case manager and with other licensed caregivers, if any, who also provide support to the person.

(b) The policy must include the following requirements:

(1) the license holder must notify the person or the person's legal representative and case manager in writing of the intended termination or temporary service suspension, and the person's right to seek a temporary order staying the termination of service according to the procedures in section 256.045, subdivision 4a, or 6, paragraph (c);

(2) notice of the proposed termination of services, including those situations that began with a temporary service suspension, must be given at least 60 days before the proposed termination is to become effective when a license holder is providing intensive supports and services identified in section 245D.03, subdivision 1, paragraph (c), and 30 days prior to termination for all other services licensed under this chapter. This notice may be given in conjunction with a notice of temporary service suspension;

(3) notice of temporary service suspension must be given on the first day of the service suspension;

~~(3)~~ (4) the license holder must provide information requested by the person or case manager when services are temporarily suspended or upon notice of termination;

~~(4)~~ (5) prior to giving notice of service termination or temporary service suspension, the license holder must document actions taken to minimize or eliminate the need for service suspension or termination;

~~(5)~~ (6) during the temporary service suspension or service termination notice period, the license holder ~~will~~ must work with the ~~appropriate county agency~~ support team or expanded support team to develop reasonable alternatives to protect the person and others;

~~(6)~~ (7) the license holder must maintain information about the service suspension or termination, including the written termination notice, in the service recipient record; and

~~(7)~~ (8) the license holder must restrict temporary service suspension to situations in which the person's conduct poses an imminent risk of physical harm to self or others and less restrictive or positive support strategies would not achieve and maintain safety.

Sec. 44. Minnesota Statutes 2013 Supplement, section 245D.10, subdivision 4, is amended to read:

Subd. 4. **Availability of current written policies and procedures.** (a) The license holder must review and update, as needed, the written policies and procedures required under this chapter.

(b) (1) The license holder must inform the person and case manager of the policies and procedures affecting a person's rights under section 245D.04, and provide copies of those policies and procedures, within five working days of service initiation.

(2) If a license holder only provides basic services and supports, this includes the:

(i) grievance policy and procedure required under subdivision 2; and

(ii) service suspension and termination policy and procedure required under subdivision 3.

(3) For all other license holders this includes the:

(i) policies and procedures in clause (2);

(ii) emergency use of manual restraints policy and procedure required under section 245D.061, subdivision 10, or successor provisions; and

(iii) data privacy requirements under section 245D.11, subdivision 3.

(c) The license holder must provide a written notice to all persons or their legal representatives and case managers at least 30 days before implementing any procedural revisions to policies affecting a person's service-related or protection-related rights under section 245D.04 and maltreatment reporting policies and procedures. The notice must explain the revision that was made and include a copy of the revised policy and procedure. The license holder must document the reasonable cause for not providing the notice at least 30 days before implementing the revisions.

(d) Before implementing revisions to required policies and procedures, the license holder must inform all employees of the revisions and provide training on implementation of the revised policies and procedures.

(e) The license holder must annually notify all persons, or their legal representatives, and case managers of any procedural revisions to policies required under this chapter, other than those in paragraph (c). Upon request, the license holder must provide the person, or the person's legal representative, and case manager with copies of the revised policies and procedures.

Sec. 45. Minnesota Statutes 2013 Supplement, section 245D.11, subdivision 2, is amended to read:

Subd. 2. **Health and safety.** The license holder must establish policies and procedures that promote health and safety by ensuring:

(1) use of universal precautions and sanitary practices in compliance with section 245D.06, subdivision 2, clause (5);

(2) if the license holder operates a residential program, health service coordination and care according to the requirements in section 245D.05, subdivision 1;

(3) safe medication assistance and administration according to the requirements in sections 245D.05, subdivisions 1a, 2, and 5, and 245D.051, that are established in consultation with a registered nurse, nurse practitioner, physician's assistant, or medical doctor and require completion of medication administration training according to the requirements in section 245D.09, subdivision 4a, paragraph (d). Medication assistance and administration includes, but is not limited to:

(i) providing medication-related services for a person;

(ii) medication setup;

(iii) medication administration;

(iv) medication storage and security;

(v) medication documentation and charting;

(vi) verification and monitoring of effectiveness of systems to ensure safe medication handling and administration;

(vii) coordination of medication refills;

(viii) handling changes to prescriptions and implementation of those changes;

(ix) communicating with the pharmacy; and

(x) coordination and communication with prescriber;

(4) safe transportation, when the license holder is responsible for transportation of persons, with provisions for handling emergency situations according to the requirements in section 245D.06, subdivision 2, clauses (2) to (4);

(5) a plan for ensuring the safety of persons served by the program in emergencies as defined in section 245D.02, subdivision 8, and procedures for staff to report emergencies to the license holder. A license holder with a community residential setting or a day service facility license must ensure the policy and procedures comply with the requirements in section 245D.22, subdivision 4;

(6) a plan for responding to all incidents as defined in section 245D.02, subdivision 11; and reporting all incidents required to be reported according to section 245D.06, subdivision 1. The plan must:

(i) provide the contact information of a source of emergency medical care and transportation; and

(ii) require staff to first call 911 when the staff believes a medical emergency may be life threatening, or to call the mental health crisis intervention team or similar mental health response team or service when such a team is available and appropriate when the person is experiencing a mental health crisis; and

(7) a procedure for the review of incidents and emergencies to identify trends or patterns, and corrective action if needed. The license holder must establish and maintain a record-keeping system for the incident and emergency reports. Each incident and emergency report file must contain a written summary of the incident. The license holder must conduct a review of incident reports for identification of incident patterns, and implementation of corrective action as necessary to reduce occurrences. Each incident report must include:

(i) the name of the person or persons involved in the incident. It is not necessary to identify all persons affected by or involved in an emergency unless the emergency resulted in an incident;

(ii) the date, time, and location of the incident or emergency;

(iii) a description of the incident or emergency;

(iv) a description of the response to the incident or emergency and whether a person's coordinated service and support plan addendum or program policies and procedures were implemented as applicable;

(v) the name of the staff person or persons who responded to the incident or emergency; and

(vi) the determination of whether corrective action is necessary based on the results of the review.

Sec. 46. Minnesota Statutes 2012, section 252.451, subdivision 2, is amended to read:

Subd. 2. **Vendor participation and reimbursement.** Notwithstanding requirements in ~~chapter~~ chapters 245A and 245D, and sections 252.28, 252.40 to 252.46, and 256B.501, vendors of day training and habilitation services may enter into written agreements with qualified businesses to provide additional training and supervision needed by individuals to maintain their employment.

Sec. 47. Minnesota Statutes 2012, section 256.9752, subdivision 2, is amended to read:

Subd. 2. **Authority.** The Minnesota Board on Aging shall allocate to area agencies on aging the state and federal funds which are received for the senior nutrition programs of congregate dining and home-delivered meals in a manner consistent with federal requirements.

Sec. 48. Minnesota Statutes 2013 Supplement, section 256B.0949, subdivision 4, is amended to read:

Subd. 4. **Diagnosis.** (a) A diagnosis must:

(1) be based upon current DSM criteria including direct observations of the child and reports from parents or primary caregivers; and

(2) be completed by ~~both~~ either (i) a licensed physician or advanced practice registered nurse ~~and~~ or (ii) a mental health professional.

(b) Additional diagnostic assessment information may be considered including from special education evaluations and licensed school personnel, and from professionals licensed in the fields of medicine, speech and language, psychology, occupational therapy, and physical therapy.

~~(c) If the commissioner determines there are access problems or delays in diagnosis for a geographic area due to the lack of qualified professionals, the commissioner shall waive the requirement in paragraph (a), clause (2), for two professionals and allow a diagnosis to be made by one professional for that geographic area. This exception must be limited to a specific period of time until, with stakeholder input as described in subdivision 8, there is a determination of an adequate number of professionals available to require two professionals for each diagnosis.~~

Sec. 49. Minnesota Statutes 2013 Supplement, section 256B.439, subdivision 1, is amended to read:

Subdivision 1. **Development and implementation of quality profiles.** (a) The commissioner of human services, in cooperation with the commissioner of health, shall develop and implement quality profiles for nursing facilities and, beginning not later than July 1, 2014, for home and community-based services providers, except when the quality profile system would duplicate requirements under section 256B.5011, 256B.5012, or 256B.5013. For purposes of this section, home and community-based services providers are defined as providers of home and community-based services under sections 256B.0625, subdivisions 6a, 7, and 19a; 256B.0913; 256B.0915; 256B.092; and 256B.49; and 256B.85, and intermediate care facilities for persons with developmental disabilities providers under section 256B.5013. To the extent possible, quality profiles must be developed for providers of services to older adults and people with disabilities, regardless of payor source, for the purposes of providing information to consumers. The quality profiles must be developed using existing data sets maintained by the commissioners of health and human services to the extent possible. The profiles must incorporate or be coordinated with information on quality maintained by area agencies on aging, long-term care trade associations, the ombudsman offices, counties, tribes, health plans, and other entities and the long-term care database maintained under section 256.975, subdivision 7. The profiles must be designed to provide information on quality to:

(1) consumers and their families to facilitate informed choices of service providers;

(2) providers to enable them to measure the results of their quality improvement efforts and compare quality achievements with other service providers; and

(3) public and private purchasers of long-term care services to enable them to purchase high-quality care.

(b) The profiles must be developed in consultation with the long-term care task force, area agencies on aging, and representatives of consumers, providers, and labor unions. Within the limits of available appropriations, the commissioners may employ consultants to assist with this project.

EFFECTIVE DATE. This section is effective retroactively from February 1, 2014.

Sec. 50. Minnesota Statutes 2013 Supplement, section 256B.439, subdivision 7, is amended to read:

Subd. 7. **Calculation of home and community-based services quality add-on.** ~~Effective On~~ On July 1, 2015, the commissioner shall determine the quality add-on rate change and adjust payment rates for participating all home and community-based services providers for services rendered on or after that date. The adjustment to a provider payment rate determined under this subdivision shall become part of the ongoing rate paid to that provider. The payment rate for the quality add-on shall be a variable amount based on each provider's quality score as determined in subdivisions 1 and 2a. All home and community-based services providers shall receive a minimum rate increase under this subdivision. In addition to a minimum rate increase, a home and community-based services provider shall receive a quality add-on payment. The commissioner shall limit the types of home and community-based services providers that may receive the quality add-on and based on availability of quality measures and outcome data. The commissioner shall limit the amount of the minimum rate increase and quality add-on payments to operate the quality add-on within funds appropriated for this purpose and based on the availability of the quality measures the equivalent of a one percent rate increase for all home and community-based services providers.

Sec. 51. Minnesota Statutes 2013 Supplement, section 256B.441, subdivision 53, is amended to read:

Subd. 53. **Calculation of payment rate for external fixed costs.** The commissioner shall calculate a payment rate for external fixed costs.

(a) For a facility licensed as a nursing home, the portion related to section 256.9657 shall be equal to \$8.86. For a facility licensed as both a nursing home and a boarding care home, the portion related to section 256.9657 shall be equal to \$8.86 multiplied by the result of its number of nursing home beds divided by its total number of licensed beds.

(b) The portion related to the licensure fee under section 144.122, paragraph (d), shall be the amount of the fee divided by actual resident days.

(c) The portion related to scholarships shall be determined under section 256B.431, subdivision 36.

(d) Until September 30, 2013, the portion related to long-term care consultation shall be determined according to section 256B.0911, subdivision 6.

(e) The portion related to development and education of resident and family advisory councils under section 144A.33 shall be \$5 divided by 365.

(f) The portion related to planned closure rate adjustments shall be as determined under section 256B.437, subdivision 6, and Minnesota Statutes 2010, section 256B.436. Planned closure rate adjustments that take effect before October 1, 2014, shall no longer be included in the payment rate for external fixed costs beginning October 1, 2016. Planned closure rate adjustments that take effect on or after October 1, 2014, shall no longer be included in the payment rate for external fixed costs beginning on October 1 of the first year not less than two years after their effective date.

(g) The portions related to property insurance, real estate taxes, special assessments, and payments made in lieu of real estate taxes directly identified or allocated to the nursing facility shall be the actual amounts divided by actual resident days.

(h) The portion related to the Public Employees Retirement Association shall be actual costs divided by resident days.

(i) The single bed room incentives shall be as determined under section 256B.431, subdivision 42. Single bed room incentives that take effect before October 1, 2014, shall no longer be included in the payment rate for external fixed costs beginning October 1, 2016. Single bed room incentives that take effect on or after October 1, 2014, shall no longer be included in the payment rate for external fixed costs beginning on October 1 of the first year not less than two years after their effective date.

(j) The portion related to the rate adjustment as provided in subdivision 64.

(k) The payment rate for external fixed costs shall be the sum of the amounts in paragraphs (a) to ~~(i)~~ (j).

Sec. 52. Minnesota Statutes 2012, section 256B.441, is amended by adding a subdivision to read:

Subd. 64. Rate adjustment for compensation-related costs. (a) Total payment rates of all nursing facilities that are reimbursed under this section or section 256B.434 shall be increased effective October 1, 2014, to address compensation costs for nursing facility employees paid less than \$14.00 per hour.

(b) Based on the application in paragraph (d), the commissioner shall calculate the annualized compensation costs by adding the totals of clauses (1), (2), and (3). The result must be divided by the resident days from the most recently available cost report to determine a per diem amount, which must be included in the external fixed cost portion of the total payment rate under subdivision 53:

(1) the sum of the difference between \$9.50 and any hourly wage rate of less than \$9.50, multiplied by the number of compensated hours at that wage rate;

(2) the sum of items (i) to (viii):

(i) for all compensated hours from \$8.00 to \$8.49 per hour, the number of compensated hours is multiplied by \$0.13;

(ii) for all compensated hours from \$8.50 to \$8.99 per hour, the number of compensated hours is multiplied by \$0.25;

(iii) for all compensated hours from \$9.00 to \$9.49 per hour, the number of compensated hours is multiplied by \$0.38;

(iv) for all compensated hours from \$9.50 to \$10.49 per hour, the number of compensated hours is multiplied by \$0.50;

(v) for all compensated hours from \$10.50 to \$10.99 per hour, the number of compensated hours is multiplied by \$0.40;

(vi) for all compensated hours from \$11.00 to \$11.49 per hour, the number of compensated hours is multiplied by \$0.30;

(vii) for all compensated hours from \$11.50 to \$11.99 per hour, the number of compensated hours is multiplied by \$0.20; and

(viii) for all compensated hours from \$12.00 to \$13.00 per hour, the number of compensated hours is multiplied by \$0.10; and

(3) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, pensions, and contributions to employee retirement accounts attributable to the amounts in clauses (1) and (2).

(c) For the rate year beginning October 1, 2014, nursing facilities that receive approval of the application in paragraph (d) must receive a rate adjustment according to paragraph (b). The rate adjustment must be used to pay compensation costs for nursing facility employees paid less than \$14.00 per hour. The rate adjustment must continue to be included in the total payment rate in subsequent years.

(d) To receive a rate adjustment, nursing facilities must submit an application to the commissioner in a form and manner determined by the commissioner. The application shall include data for a period beginning with the first pay period after January 1, 2014, including at least three months of employee compensated hours by wage rate, and a spending plan that describes how the funds from the rate adjustment will be allocated for compensation to employees paid less than \$14.00 per hour. The application must be submitted by December 31, 2014. The commissioner may request any additional information needed to determine the rate adjustment within three weeks of receiving a complete application. The nursing facility must provide any additional information requested by the commissioner by March 31, 2015. The commissioner may waive the deadlines in this subdivision under extraordinary circumstances.

(e) For nursing facilities in which employees are represented by an exclusive bargaining representative, the commissioner shall approve the application submitted under this subdivision only upon receipt of a letter of acceptance of the spending plan in regard to members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 31, 2014. Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this subdivision as having been met in regard to the members of the bargaining unit.

Sec. 53. Minnesota Statutes 2013 Supplement, section 256B.4912, subdivision 1, is amended to read:

Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers providing services to seniors and individuals with disabilities under sections 256B.0913, 256B.0915, 256B.092, and 256B.49, the commissioner shall establish:

(1) agreements with enrolled waiver service providers to ensure providers meet Minnesota health care program requirements;

(2) regular reviews of provider qualifications, and including requests of proof of documentation; and

(3) processes to gather the necessary information to determine provider qualifications.

(b) Beginning July 1, 2012, staff that provide direct contact, as defined in section 245C.02, subdivision 11, for services specified in the federally approved waiver plans must meet the requirements of chapter 245C prior to providing waiver services and as part of ongoing enrollment. Upon federal approval, this requirement must also apply to consumer-directed community supports.

(c) Beginning January 1, 2014, service owners and managerial officials overseeing the management or policies of services that provide direct contact as specified in the federally approved waiver plans must meet the requirements of chapter 245C prior to reenrollment or revalidation or, for new providers, prior to initial enrollment if they have not already done so as a part of service licensure requirements.

Sec. 54. Minnesota Statutes 2012, section 256B.5012, is amended by adding a subdivision to read:

Subd. 16. **ICF/DD rate increases effective July 1, 2014.** (a) For each facility reimbursed under this section, for the rate period beginning July 1, 2014, the commissioner shall increase operating payments equal to five percent of the operating payment rates in effect on July 1, 2014. For each facility, the commissioner shall apply the rate increase based on occupied beds, using the percentage specified in this subdivision multiplied by the total payment rate, including the variable rate but excluding the property-related payment rate in effect on the preceding date.

(b) To receive the rate increase under paragraph (a), each facility reimbursed under this section must submit to the commissioner documentation that identifies a quality improvement project the facility will implement by June 30, 2015. Documentation must be provided in a format specified by the commissioner. Projects must:

(1) improve the quality of life of intermediate care facility residents in a meaningful way;

(2) improve the quality of services in a measurable way; or

(3) deliver good quality service more efficiently while using the savings to enhance services for the participants served.

(c) For a facility that fails to submit the documentation described in paragraph (b) by a date or in a format specified by the commissioner, the commissioner shall reduce the facility's rate by one percent effective January 1, 2015.

(d) Facilities that receive a rate increase under this subdivision shall use 75 percent of the rate increase to increase compensation-related costs for employees directly employed by the facility on or after the effective date of the rate adjustments, except:

(1) persons employed in the central office of a corporation or entity that has an ownership interest in the facility or exercises control over the facility; and

(2) persons paid by the facility under a management contract.

This requirement is subject to audit by the commissioner.

(e) Compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) other benefits provided and workforce needs, including the recruiting and training of employees as specified in the distribution plan required under paragraph (f).

(f) A facility that receives a rate adjustment under paragraph (a) that is subject to paragraphs (d) and (e) shall prepare and produce for the commissioner, upon request, a plan that specifies the amount of money the provider expects to receive that is subject to the requirements of paragraphs (d) and (e), as well as how that money will be distributed to increase compensation for employees. The commissioner may recover funds from a facility that fails to comply with this requirement.

(g) Within six months after the effective date of the rate adjustment, the facility shall post the distribution plan required under paragraph (f) for a period of at least six weeks in an area of the facility's operation to which all eligible employees have access, and shall provide instructions for employees who believe they have not received the wage and other compensation-related increases specified in the distribution plan. These instructions must include a mailing address, e-mail address, and telephone number that an employee may use to contact the commissioner or the commissioner's representative. Facilities shall make assurances to the commissioner of compliance with this subdivision using forms prescribed by the commissioner.

(h) For public employees, the increase for wages and benefits for certain staff is available and pay rates must be increased only to the extent that the increases comply with laws governing public employees' collective bargaining. Money received by a provider for pay increases for public employees under this subdivision may be used only for increases implemented within one month of the effective date of the rate increase and must not be used for increases implemented prior to that date.

(i) For a provider that has employees that are represented by an exclusive bargaining representative, the provider shall obtain a letter of acceptance of the distribution plan, in regard to the members of the bargaining unit, signed by the exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall be deemed to have met all the requirements of this subdivision in regard to the members of the bargaining unit. The provider shall produce the letter of acceptance for the commissioner upon request.

Sec. 55. **PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY 1, 2014.**

(a) The commissioner of human services shall increase reimbursement rates, grants, allocations, individual limits, and rate limits, as applicable, by five percent for the rate period beginning July 1, 2014, for services rendered on or after that date. County or tribal contracts for services specified in this section must be amended to pass through these rate increases within 60 days of the effective date.

(b) The rate changes described in this section must be provided to:

(1) home and community-based waiver services for persons with developmental disabilities, including consumer-directed community supports, under Minnesota Statutes, section 256B.092;

(2) waiver services under community alternatives for disabled individuals, including consumer-directed community supports, under Minnesota Statutes, section 256B.49;

(3) community alternative care waiver services, including consumer-directed community supports, under Minnesota Statutes, section 256B.49;

(4) brain injury waiver services, including consumer-directed community supports, under Minnesota Statutes, section 256B.49;

(5) home and community-based waiver services for the elderly under Minnesota Statutes, section 256B.0915;

(6) nursing services and home health services under Minnesota Statutes, section 256B.0625, subdivision 6a;

(7) personal care services and qualified professional supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivisions 6a and 19a;

(8) private duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7;

(9) community first services and supports under Minnesota Statutes, section 256B.85;

(10) essential community supports under Minnesota Statutes, section 256B.0922;

(11) day training and habilitation services for adults with developmental disabilities or related conditions under Minnesota Statutes, sections 252.41 to 252.46, including the additional cost to counties for rate adjustments to day training and habilitation services provided as a social service;

(12) alternative care services under Minnesota Statutes, section 256B.0913;

(13) living skills training programs for persons with intractable epilepsy who need assistance in the transition to independent living under Laws 1988, chapter 689;

(14) consumer support grants under Minnesota Statutes, section 256.476;

(15) semi-independent living services under Minnesota Statutes, section 252.275;

(16) family support grants under Minnesota Statutes, section 252.32;

(17) housing access grants under Minnesota Statutes, section 256B.0658;

(18) self-advocacy grants under Laws 2009, chapter 101;

(19) technology grants under Laws 2009, chapter 79;

(20) aging grants under Minnesota Statutes, sections 256.975 to 256.977 and 256B.0917;

(21) deaf and hard-of-hearing grants, including 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 under Minnesota Statutes, section 256.01, subdivision 2;

(22) deaf and hard-of-hearing grants under Minnesota Statutes, sections 256C.233, 256C.25, and 256C.261;

(23) Disability Linkage Line grants under Minnesota Statutes, section 256.01, subdivision 24;

(24) transition initiative grants under Minnesota Statutes, section 256.478;

(25) employment support grants under Minnesota Statutes, section 256B.021, subdivision 6; and

(26) grants provided to people who are eligible for the Housing Opportunities for Persons with AIDS program under Minnesota Statutes, section 256B.492.

(c) A managed care plan receiving state payments for the services in paragraph (b) must include the increases in paragraph (a) in payments to providers. To implement the rate increase in this section, capitation rates paid by the commissioner to managed care organizations under Minnesota Statutes, section 256B.69, shall reflect a five percent increase for the specified services for the period beginning July 1, 2014.

(d) Counties shall increase the budget for each recipient of consumer-directed community supports by the amounts in paragraph (a) on the effective dates in paragraph (a).

(e) To implement this section, the commissioner shall increase service rates in the disability waiver payment system authorized in Minnesota Statutes, sections 256B.4913 and 256B.4914.

(f) To receive the rate increase described in this section, providers under paragraphs (a) and (b) must submit to the commissioner documentation that identifies a quality improvement project that the provider will implement by June 30, 2015. Documentation must be provided in a format specified by the commissioner. Projects must:

(1) improve the quality of life of home and community-based services recipients in a meaningful way;

(2) improve the quality of services in a measurable way; or

(3) deliver good quality service more efficiently while using the savings to enhance services for the participants served.

Providers listed in paragraph (b), clauses (7), (9), (10), and (13) to (26), are not subject to this requirement.

(g) For a provider that fails to submit documentation described in paragraph (f) by a date or in a format specified by the commissioner, the commissioner shall reduce the provider's rate by one percent effective January 1, 2015.

(h) Providers that receive a rate increase under this subdivision shall use 75 percent of the rate increase to increase compensation-related costs for employees directly employed by the facility on or after the effective date of the rate adjustments, except:

(1) persons employed in the central office of a corporation or entity that has an ownership interest in the facility or exercises control over the facility; and

(2) persons paid by the facility under a management contract.

This requirement is subject to audit by the commissioner.

(i) Compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) other benefits provided and workforce needs, including the recruiting and training of employees as specified in the distribution plan required under paragraph (1).

(j) For public employees, the increase for wages and benefits for certain staff is available and pay rates must be increased only to the extent that the increases comply with laws governing public employees' collective bargaining. Money received by a provider for pay increases for public employees under this section may be used only for increases implemented within one month of the effective date of the rate increase and must not be used for increases implemented prior to that date.

(k) For a provider that has employees that are represented by an exclusive bargaining representative, the provider shall obtain a letter of acceptance of the distribution plan, in regard to the members of the bargaining unit, signed by the exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall be deemed to have met all the requirements of this section in regard to the members of the bargaining unit. The provider shall produce the letter of acceptance for the commissioner upon request.

(l) A provider that receives a rate adjustment under paragraph (b) that is subject to paragraphs (h) and (i) shall prepare and produce for the commissioner, upon request, a plan that specifies the amount of money the provider expects to receive that is subject to the requirements of paragraphs (h) and (i), as well as how that money will be distributed to increase compensation for employees. The commissioner may recover funds from a facility that fails to comply with this requirement.

(m) Within six months after the effective date of the rate adjustment, the provider shall post the distribution plan required under paragraph (l) for a period of at least six weeks in an area of the provider's operation to which all eligible employees have access, and shall provide instructions for employees who believe they have not received the wage and other compensation-related increases specified in the distribution plan. These instructions must include a mailing address, e-mail address, and telephone number that an employee may use to contact the commissioner or the commissioner's representative. Providers shall make assurances to the commissioner of compliance with this section using forms prescribed by the commissioner.

Sec. 56. **REVISOR'S INSTRUCTION.**

(a) In each section of Minnesota Statutes or part of Minnesota Rules referred to in column A, the revisor of statutes shall delete the word or phrase in column B and insert the phrase in column C. The revisor shall also make related grammatical changes and changes in headnotes.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>section 158.13</u>	<u>defective persons</u>	<u>persons with developmental disabilities</u>
<u>section 158.14</u>	<u>defective persons</u>	<u>persons with developmental disabilities</u>
<u>section 158.17</u>	<u>defective persons</u>	<u>persons with developmental disabilities</u>
<u>section 158.18</u>	<u>persons not defective</u>	<u>persons without developmental disabilities</u>
	<u>defective person</u>	<u>person with developmental disabilities</u>
	<u>defective persons</u>	<u>persons with developmental disabilities</u>
<u>section 158.19</u>	<u>defective</u>	<u>person with developmental disabilities</u>
<u>section 256.94</u>	<u>defective</u>	<u>children with developmental disabilities and</u>
<u>section 257.175</u>	<u>defective</u>	<u>children with developmental disabilities and</u>
<u>part 2911.1350</u>	<u>retardation</u>	<u>developmental disability</u>

(b) The revisor of statutes shall change the term "health and safety" to "health and welfare" in the following statutes: Minnesota Statutes, sections 245D.03, 245D.061, 245D.071, 245D.10, 245D.11, 245D.31, 256B.0915, and 256B.092.

ARTICLE 28
MISCELLANEOUS

Section 1. Minnesota Statutes 2012, section 254B.12, is amended to read:

254B.12 RATE METHODOLOGY.

Subdivision 1. **CCDTF rate methodology established.** The commissioner shall establish a new rate methodology for the consolidated chemical dependency treatment fund. The new methodology must replace county-negotiated rates with a uniform statewide methodology that must include a graduated reimbursement scale based on the patients' level of acuity and complexity. At least biennially, the commissioner shall review the financial information provided by vendors to determine the need for rate adjustments.

Subd. 2. Payment methodology for highly specialized vendors. (a) Notwithstanding subdivision 1, the commissioner shall seek federal authority to develop a separate payment methodology for chemical dependency treatment services provided under the consolidated chemical dependency treatment fund for persons who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community. This payment methodology is effective for services provided on or after October 1, 2015, or on or after the receipt of federal approval, whichever is later.

(b) Before implementing an approved payment methodology under paragraph (a), the commissioner must also receive any necessary legislative approval of required changes to state law or funding.

Sec. 2. Minnesota Statutes 2012, section 256I.04, subdivision 2b, is amended to read:

Subd. 2b. Group residential housing agreements. (a) Agreements between county agencies and providers of group residential housing must be in writing and must specify the name and address under which the establishment subject to the agreement does business and under which the establishment, or service provider, if different from the group residential housing establishment, is licensed by the Department of Health or the Department of Human Services; the specific license or registration from the Department of Health or the Department of Human Services held by the provider and the number of beds subject to that license; the address of the location or locations at which group residential housing is provided under this agreement; the per diem and monthly rates that are to be paid from group residential housing funds for each eligible resident at each location; the number of beds at each location which are subject to the group residential housing agreement; whether the license holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code; and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06 and subject to any changes to those sections. Group residential housing agreements may be terminated with or without cause by either the county or the provider with two calendar months prior notice.

(b) The commissioner may enter directly into an agreement with a provider serving veterans who meet the eligibility criteria of this section and reside in a setting according to subdivision 2a, located in Stearns County. Responsibility for monitoring and oversight of this setting shall remain with Stearns County. This agreement may be terminated with or without cause by either the commissioner or the provider with two calendar months prior notice. This agreement shall be subject to the requirements of county agreements and negotiated rates in subdivisions 1, paragraphs (a) and (b), and 2, and sections 256I.05, subdivisions 1 and 1c, and 256I.06, subdivision 7.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 3. Minnesota Statutes 2012, section 256I.05, subdivision 2, is amended to read:

Subd. 2. Monthly rates; exemptions. ~~The maximum group residential housing rate does not apply~~ This subdivision applies to a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690. Notwithstanding the provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision shall be determined under section 256B.431, or under section 256B.434 if the facility is accepted by the commissioner for participation in the alternative payment demonstration project. The rate paid to this facility shall also include adjustments to the group residential housing rate according to subdivision 1, and any adjustments applicable to supplemental service rates statewide.

Sec. 4. **CIVIL COMMITMENT TRAINING PROGRAM.**

The commissioner of human services shall develop an online training program for interested individuals and personnel, specifically county and hospital staff and mental health providers, to understand, clarify, and interpret the Civil Commitment Act under Minnesota Statutes, chapter 253B, as it pertains to persons with mental illnesses. The

training must be developed in collaboration with the ombudsman for mental health and developmental disabilities, Minnesota County Attorneys Association, National Alliance on Mental Illness of Minnesota, Mental Health Consumer/Survivor Network of Minnesota, State Advisory Council on Mental Health, Mental Health Association, Minnesota Psychiatric Society, Hennepin Commitment Defense Panel, Minnesota Disability Law Center, Minnesota Association of Community Mental Health Programs, Minnesota Hospital Association, and Minnesota Board of Public Defense. The purpose of the training is to promote better clarity and interpretation of the civil commitment laws.

Sec. 5. **DIRECTION TO COMMISSIONER; REPORT ON PROGRAM WAITING LISTS.**

In preparing background materials for the 2016-2017 biennium, the commissioner of human services shall prepare a listing of all of the waiting lists for services that the department oversees and directs. The listing shall identify the number of persons on those waiting lists as of October 1, 2014, an estimate of the cost of serving them based on current average costs, and an estimate of the number of jobs that would be created given current average levels of staffing if the waiting list were eliminated. The commissioner is encouraged to engage postsecondary students in the assembly, analysis, and reporting of this information. The information shall be provided to the governor, the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, and the Legislative Reference Library in electronic form by December 1, 2014.

Sec. 6. **MENTALLY ILL OFFENDERS ARRESTED OR SUBJECT TO ARREST; WORKING GROUP.**

Subdivision 1. **Working group established; study and draft legislation required.** The commissioner of human services may convene a working group to address issues related to offenders with mental illness who are arrested or subject to arrest. The working group shall consider the special needs of these offenders and determine how best to provide for these needs. Specifically, the group shall consider the efficacy of a facility that would serve as a central point for accepting, assessing, and addressing the needs of offenders with mental illness brought in by law enforcement as an alternative to arrest or following arrest. The facility would consolidate and coordinate existing resources as well as offer new resources that would provide a continuum of care addressing the immediate, short-term, and long-term needs of these offenders. The facility would do the following for these offenders: perform timely, credible, and useful mental health assessments; identify community placement opportunities; coordinate community care; make recommendations concerning pretrial release when appropriate; and, in some cases, provide direct services to offenders at the facility or in nearby jails. The working group shall establish criteria to determine which offenders may be admitted to the facility. The facility would be located in the metropolitan region and serve the needs of nearby counties. The facility would represent a partnership between the state, local units of government, and the private sector. In addition, the working group may consider how similar facilities could function in outstate areas. When studying this issue, the working group shall examine what other states have done in this area to determine what programs have been successful and use those programs as models in developing the program in Minnesota. The working group may also study and make recommendations on other ways to improve the process for addressing and assisting these offenders. The commissioner shall enter into an agreement with NAMI Minnesota to carry out the work of the working group.

Subd. 2. **Membership.** The commissioner shall ensure that the working group has expertise and a broad range of interests represented, including, but not limited to: prosecutors; law enforcement, including jail staff; correctional officials; probation officials; criminal defense attorneys; judges; county and city officials; mental health advocates; mental health professionals; and hospital and health care officials.

Subd. 3. **Administrative issues.** (a) The commissioner shall convene the first meeting of the working group by September 1, 2014. NAMI Minnesota shall provide meeting space and administrative support to the working group. The working group shall select a chair from among its members.

(b) The commissioner may solicit in-kind support from work group member agencies to accomplish its assigned duties.

Subd. 4. **Report required.** By January 1, 2015, the working group shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over human services and public safety. The report must summarize the working group's activities and include its recommendations and draft legislation. The recommendations must be specific and include estimates of the costs involved in implementing the recommendations, including the funding sources that might be used to pay for it. The working group shall explore potential funding sources at the federal, local, and private levels, and provide this information in the report. In addition, the report must include draft legislation to implement the recommendations.

Sec. 7. RECOMMENDATIONS; DRAFT LEGISLATION; IMPLEMENTATION PLAN; UNIFORM PUBLIC ASSISTANCE PROGRAM ELIGIBILITY.

The commissioner of human services, in consultation with counties, tribes, and program participants, shall prepare draft legislation to implement uniform public assistance program eligibility and verification for the following programs: general assistance under Minnesota Statutes, chapter 256D; Minnesota supplemental aid under Minnesota Statutes, chapter 256D; group residential housing under Minnesota Statutes, chapter 256I; and the Minnesota family investment program under Minnesota Statutes, chapter 256J. In order to provide further uniformity and simplification of assistance programs under Minnesota Statutes, chapters 256D, 256I, and 256J, the commissioner of human services, in consultation with counties, tribes, and program participants, may prepare legislation to plan for the implementation of prospective budgeting, three-month reporting, uniform reporting, and budgeting standards. The commissioner may provide recommendations and a plan for implementation to the legislative committees with jurisdiction over health and human services policy and finance.

Sec. 8. DETOXIFICATION SERVICES; INSTRUCTIONS TO THE COMMISSIONER.

The commissioner of human services shall develop a plan to include detoxification services as a covered medical assistance benefit and present the plan to the legislature by December 15, 2014.

ARTICLE 29
HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2013, chapter 108, articles 14 and 15, to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2014, are effective the day following final enactment unless a different effective date is explicit.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2014</u>	<u>2015</u>
<u>Sec. 2. COMMISSIONER OF HUMAN SERVICES</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>(1,073,000)</u>	<u>91,753,000</u>
<u>Appropriations by Fund</u>		
General	(1,073,000)	89,406,000
Federal TANF	-0-	2,347,000

The appropriation modifications for each purpose are shown in the following subdivisions.

Subd. 2. Central Office Operations

(a) <u>Operations</u>	-0-	<u>63,000</u>
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Base adjustment. The general fund base is decreased by \$6,000 in fiscal years 2016 and 2017.

(b) <u>Health Care</u>	-0-	<u>113,000</u>
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Base adjustment. The general fund base is increased by \$108,000 in fiscal years 2016 and 2017.

(c) <u>Continuing Care</u>	-0-	<u>1,084,000</u>
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Base adjustment. The general fund base is increased by \$156,000 in fiscal year 2016 and \$19,000 in fiscal year 2017.

(d) <u>Chemical and Mental Health</u>	-0-	<u>115,000</u>
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Subd. 3. Forecasted Programs**(a) MFIP/DWP**Appropriations by Fund

General	-0-	<u>122,000</u>
Federal TANF	-0-	<u>1,995,000</u>

(b) <u>Group Residential Housing</u>	-0-	<u>681,000</u>
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(c) <u>Medical Assistance</u>	<u>(1,058,000)</u>	<u>80,827,000</u>
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(d) <u>Alternative Care</u>	-0-	<u>965,000</u>
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Subd. 4. Grant Programs

(a) <u>Children's Services Grants</u>	-0-	<u>(3,000)</u>
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Base adjustment. The general fund base is increased by \$9,000 in fiscal year 2017.

(b) <u>Child and Economic Support Grants</u>	-0-	<u>1,669,000</u>
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Safe harbor. \$569,000 in fiscal year 2015 from the general fund is for housing and supportive services for sexually exploited youth.

Homeless youth. \$1,100,000 in fiscal year 2015 is for purposes of Minnesota Statutes, section 256K.45.

(c) <u>Aging and Adult Services Grants</u>	<u>(15,000)</u>	<u>1,541,000</u>
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Senior nutrition. \$579,000 in fiscal year 2015 from the general fund is for congregate dining services under Minnesota Statutes, section 256.9752.

Base adjustment. The general fund base is decreased by \$429,000 in fiscal year 2016 and \$419,000 in fiscal year 2017.

(d) <u>Deaf and Hard-of-Hearing Grants</u>	<u>-0-</u>	<u>81,000</u>
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Base adjustment. The general fund base is increased by \$6,000 in fiscal years 2016 and 2017.

(e) <u>Disabilities Grants</u>	<u>-0-</u>	<u>1,267,000</u>
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Base adjustment. The general fund base is increased by \$224,000 in fiscal year 2016 and \$233,000 in fiscal year 2017.

Subd. 5. **State-Operated Services**

(a) <u>SOS Mental Health</u>	<u>-0-</u>	<u>881,000</u>
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Civil commitments. \$35,000 in fiscal year 2015 is for developing an online training program to help interested parties understand the civil commitment process.

Base adjustment. The general fund base is increased by \$213,000 in fiscal years 2016 and 2017.

(b) <u>SOS Enterprise Services</u>	<u>-0-</u>	<u>-0-</u>
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Community Addiction Recovery Enterprise deficiency funding. Notwithstanding Minnesota Statutes, section 254B.06, subdivision 1, \$4,000,000 is transferred in fiscal years 2014 and 2015 from the consolidated chemical dependency treatment fund administrative account in the special revenue fund and deposited into the enterprise fund for the Community Addiction Recovery Enterprise. This clause is effective the day following final enactment.

Subd. 6. **Technical Activities**

MFIP Child Care Assistance

Appropriations by Fund

Federal TANF	<u>-0-</u>	<u>352,000</u>
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Sec. 3. **COMMISSIONER OF HEALTH.**

Subdivision 1. <u>Total Appropriation</u>	<u>\$967,000</u>	<u>\$1,801,000</u>
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Appropriations by Fund

	<u>2014</u>	<u>2015</u>
<u>General</u>	1,150,000	1,994,000
<u>State Government Special</u>		
<u>Revenue</u>	817,000	807,000
<u>Health Care Access</u>	(1,000,000)	(1,000,000)

Subd. 2. Health ImprovementAppropriations by Fund

<u>General</u>	75,000	1,819,000
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Poison information centers. \$750,000 in fiscal year 2015 from the general fund is for regional poison information centers under Minnesota Statutes, section 145.93, and is added to the base. The appropriation is (1) to enhance staffing to meet national accreditation standards; (2) for health care provider education and training; (3) for surveillance of emerging toxicology and poison issues; and (4) to cooperate with local public health officials on outreach efforts.

Minority health disparity grants. \$100,000 in fiscal year 2014 and \$475,000 in fiscal year 2015 are for the commissioner of health to begin implementing recommendations of the health equity report under Laws 2013, chapter 108, article 12, section 102. This funding is onetime and shall not become part of base funding. Funds must be distributed as follows:

(1) \$100,000 in fiscal year 2014 and \$100,000 in fiscal year 2015 are for dementia outreach education and training grants targeting minority communities under article 25, section 7;

(2) \$75,000 in fiscal year 2015 is for planning and conducting a training conference on immigrant and refugee mental health issues. The conference shall include an emphasis on mental health concerns in the Somali community. Conference planning shall include input from the Somali community and other stakeholders. This is a onetime appropriation;

(3) up to \$150,000 in fiscal year 2015 is for additional grants, including but not limited to a grant to a Somali women-led health care agency. Grantees must use community-based, participatory research to address health inequities and provide services through culturally specific, minority-centered programs; and

(4) remaining funds shall be used for redesigning agency grant making to advance health equity, ensuring that health equity and the analysis of structural inequities become integral aspects of all agency divisions and programs, and awarding additional grants to address health equity issues.

Safe harbor. \$569,000 in fiscal year 2015 from the general fund is for grants for comprehensive services, including trauma-informed, culturally specific services, for sexually exploited youth. The commissioner shall use no more than 6.67 percent of these funds for administration of the grants.

Base level adjustment. The general fund base for fiscal year 2016 is \$47,619,000. The general fund base for fiscal year 2017 is \$47,669,000.

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

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>75,000</u>
<u>State Government Special Revenue</u>	<u>-0-</u>	<u>143,000</u>
<u>Health Care Access</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>

Legislative health care workforce commission. \$75,000 in fiscal year 2015 is for the health care workforce commission in article 25, section 6. This is a onetime appropriation.

Spoken language health care interpreters. \$81,000 in fiscal year 2015 from the state government special revenue fund is to develop a proposal to promote health equity and quality health outcomes through changes to laws governing spoken language health care interpreters. The commissioner shall consult with spoken language health care interpreters, organizations that employ these interpreters, organizations that pay for interpreter services, health care providers who use interpreters, clients who use interpreters, and community organizations serving non-English speaking populations. The commissioner shall draft legislation and submit a report that documents the process followed and the rationale for the recommendations to the committees with jurisdiction over health and human services by January 15, 2015. In drafting the legislation and report, the commissioner must consider input received from individuals and organizations consulted and must address issues related to:

- (1) qualifications for spoken language health care interpreters that assure quality service to health care providers and their patients;
- (2) methods to support the education and skills development of spoken language health care interpreters serving Minnesotans;
- (3) the role of an advisory council in maintaining a quality system for spoken language health care interpreting in Minnesota;
- (4) management of complaints regarding spoken language health care interpreters, including investigation and enforcement actions;

(5) an appropriate structure for oversight of spoken language health care interpreters, including administrative and technology requirements; and

(6) other issues that address qualifications, quality, access, and affordability of spoken language interpreter services.

This is a onetime appropriation.

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

Subd. 4. Health Protection

Appropriations by Fund

<u>General</u>	<u>100,000</u>	<u>100,000</u>
<u>State Government Special Revenue</u>	<u>817,000</u>	<u>648,000</u>

Healthy housing. \$100,000 in fiscal years 2014 and 2015 from the general fund are for education and training grants under Minnesota Statutes, section 144.9513, subdivision 3, and are added to the base.

Subd. 5. Administrative Support Services 975,000 16,000

Appropriations by Fund

<u>General</u>	<u>975,000</u>	<u>-0-</u>
<u>State Government Special Revenue</u>	<u>-0-</u>	<u>16,000</u>

Lawsuit settlement. In fiscal year 2014, \$975,000 from the general fund is a onetime appropriation for the cost of settling the lawsuit Bearder v. State.

Sec. 4. OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES \$100,000 \$100,000

Sec. 5. Laws 2013, chapter 1, section 6, as amended by Laws 2013, chapter 108, article 6, section 32, is amended to read:

Sec. 6. TRANSFER.

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

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

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

~~(d) No later than three weeks before the release of the forecast For fiscal years 2014 to 2017, forecasts under Minnesota Statutes, section 16A.103, prepared by the commissioner of management and budget shall reduce the include actual or estimated adjustments to health care access fund transfer transfers in paragraph (a), by the cumulative differences in costs reported by the commissioner of human services under according to paragraph (e) (e). If, for any fiscal year, the amount of the cumulative cost differences determined under paragraph (b) is positive, no change is made to the appropriation. If, for any fiscal year, the amount of the cumulative cost differences determined under paragraph (b) is less than the amount of the original appropriation, the appropriation for that year must be zero.~~

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

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

Sec. 6. Laws 2013, chapter 108, article 14, section 2, subdivision 5, is amended to read:

Subd. 5. Forecasted Programs

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

(a) MFIP/DWP

Appropriations by Fund

General	72,583,000	76,927,000
Federal TANF	80,342,000	76,851,000

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

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

General Assistance Standard. The commissioner shall set the monthly standard of assistance for general assistance units consisting of an adult recipient who is childless and unmarried or living apart from parents or a legal guardian at \$203. The commissioner may reduce this amount according to Laws 1997, chapter 85, article 3, section 54.

Emergency General Assistance. The amount appropriated for emergency general assistance funds is limited to no more than \$6,729,812 in fiscal year 2014 and \$6,729,812 in fiscal year 2015. Funds to counties shall be allocated by the commissioner using the allocation method in Minnesota Statutes, section 256D.06.

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

This appropriation is from the health care access fund.

(g) Medical Assistance

Appropriations by Fund

General	4,443,768,000	4,431,612,000
Health Care Access	179,550,000	226,081,000

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

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

Disproportionate Share Payments. Effective for services provided on or after July 1, 2011, through June 30, 2015, the commissioner of human services shall deposit, in the health care access fund, additional federal matching funds received under Minnesota Statutes, section 256B.199, paragraph (e), as disproportionate share hospital payments for inpatient hospital services provided under MinnesotaCare to lawfully present noncitizens who are not eligible for MinnesotaCare with federal financial participation due to immigration status. The amount deposited shall not exceed \$2,200,000 for the time period specified.

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

(h) Alternative Care 50,776,000 54,922,000

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.

(i) CD Treatment Fund 81,440,000 74,875,000

Balance Transfer. The commissioner must transfer \$18,188,000 from the consolidated chemical dependency treatment fund to the general fund by September 30, 2013.

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

Sec. 7. Laws 2013, chapter 108, article 14, section 2, subdivision 6, as amended by Laws 2013, chapter 144, section 25, is amended to read:

Subd. 6. **Grant Programs**

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

(a) Support Services Grants

Appropriations by Fund

General	8,915,000	13,333,000
Federal TANF	94,611,000	94,611,000

Paid Work Experience. \$2,168,000 each year in fiscal years 2015 and 2016 is from the general fund for paid work experience for long-term MFIP recipients. Paid work includes full and partial wage subsidies and other related services such as job development, marketing, preworksite training, job coaching, and postplacement services. These are onetime appropriations. Unexpended funds for fiscal year 2015 do not cancel, but are available to the commissioner for this purpose in fiscal year 2016.

Work Study Funding for MFIP Participants. \$250,000 each year in fiscal years 2015 and 2016 is from the general fund to pilot work study jobs for MFIP recipients in approved postsecondary education programs. This is a onetime appropriation. Unexpended funds for fiscal year 2015 do not cancel, but are available for this purpose in fiscal year 2016.

Local Strategies to Reduce Disparities. \$2,000,000 each year in fiscal years 2015 and 2016 is from the general fund for local projects that focus on services for subgroups within the MFIP caseload who are experiencing poor employment outcomes. These are onetime appropriations. Unexpended funds for fiscal year 2015 do not cancel, but are available to the commissioner for this purpose in fiscal year 2016.

Home Visiting Collaborations for MFIP Teen Parents. \$200,000 per year in fiscal years 2014 and 2015 is from the general fund and \$200,000 in fiscal year 2016 is from the federal TANF fund for technical assistance and training to support local collaborations that provide home visiting services for MFIP teen parents. The general fund appropriation is onetime. The federal TANF fund appropriation is added to the base.

Performance Bonus Funds for Counties. The TANF fund base is increased by \$1,500,000 each year in fiscal years 2016 and 2017. The commissioner must allocate this amount each year to counties that exceed their expected range of performance on the annualized three-year self-support index as defined in Minnesota Statutes, section 256J.751, subdivision 2, clause (6). This is a permanent base adjustment. Notwithstanding any contrary provisions in this article, this provision expires June 30, 2016.

Base Adjustment. The general fund base is decreased by \$200,000 in fiscal year 2016 and \$4,618,000 in fiscal year 2017. The TANF fund base is increased by \$1,700,000 in fiscal years 2016 and 2017.

(b) Basic Sliding Fee Child Care Assistance Grants 36,836,000 42,318,000

Base Adjustment. The general fund base is increased by \$3,778,000 in fiscal year 2016 and by \$3,849,000 in fiscal year 2017.

(c) Child Care Development Grants 1,612,000 1,737,000

(d) Child Support Enforcement Grants 50,000 50,000

Federal Child Support Demonstration Grants. Federal administrative reimbursement resulting from the federal child support grant expenditures authorized under United States Code, title 42, section 1315, is appropriated to the commissioner for this activity.

(e) Children's Services Grants

Appropriations by Fund

General	49,760,000	52,961,000
Federal TANF	140,000	140,000

Adoption Assistance and Relative Custody Assistance. ~~\$37,453,000~~ \$36,456,000 in fiscal year 2014 and ~~\$37,453,000~~ \$36,855,000 in fiscal year 2015 is for the adoption assistance and relative custody assistance programs. The commissioner shall determine with the commissioner of Minnesota Management and Budget the appropriation for Northstar Care for Children effective

January 1, 2015. The commissioner may transfer appropriations for adoption assistance, relative custody assistance, and Northstar Care for Children between fiscal years and among programs to adjust for transfers across the programs.

Title IV-E Adoption Assistance. Additional federal reimbursements to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance are appropriated for postadoption services, including a parent-to-parent support network.

Privatized Adoption Grants. Federal reimbursement for privatized adoption grant and foster care recruitment grant expenditures is appropriated to the commissioner for adoption grants and foster care and adoption administrative purposes.

Adoption Assistance Incentive Grants. Federal funds available during fiscal years 2014 and 2015 for adoption incentive grants are appropriated for postadoption services, including a parent-to-parent support network.

Base Adjustment. The general fund base is increased by \$5,913,000 in fiscal year 2016 and by \$10,297,000 in fiscal year 2017.

(f) Child and Community Service Grants	53,301,000	53,301,000
(g) Child and Economic Support Grants	21,047,000	20,848,000

Minnesota Food Assistance Program. Unexpended funds for the Minnesota food assistance program for fiscal year 2014 do not cancel but are available for this purpose in fiscal year 2015.

Transitional Housing. \$250,000 each year is for the transitional housing programs under Minnesota Statutes, section 256E.33.

Emergency Services. \$250,000 each year is for emergency services grants under Minnesota Statutes, section 256E.36.

Family Assets for Independence. \$250,000 each year is for the Family Assets for Independence Minnesota program. This appropriation is available in either year of the biennium and may be transferred between fiscal years.

Food Shelf Programs. \$375,000 in fiscal year 2014 and \$375,000 in fiscal year 2015 are for food shelf programs under Minnesota Statutes, section 256E.34. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. Notwithstanding Minnesota Statutes, section 256E.34, subdivision 4, no portion of this appropriation may be used by Hunger Solutions for its administrative expenses, including but not limited to rent and salaries.

Homeless Youth Act. \$2,000,000 in fiscal year 2014 and \$2,000,000 in fiscal year 2015 is for purposes of Minnesota Statutes, section 256K.45.

Safe Harbor Shelter and Housing. \$500,000 in fiscal year 2014 and \$500,000 in fiscal year 2015 is for a safe harbor shelter and housing fund for housing and supportive services for youth who are sexually exploited.

High-risk adults. \$200,000 in fiscal year 2014 is for a grant to the nonprofit organization selected to administer the demonstration project for high-risk adults under Laws 2007, chapter 54, article 1, section 19, in order to complete the project. This is a onetime appropriation.

(h) Health Care Grants

Appropriations by Fund

General	190,000	190,000
Health Care Access	190,000	190,000

Emergency Medical Assistance Referral and Assistance Grants. (a) The commissioner of human services shall award grants to nonprofit programs that provide immigration legal services based on indigency to provide legal services for immigration assistance to individuals with emergency medical conditions or complex and chronic health conditions who are not currently eligible for medical assistance or other public health care programs, but who may meet eligibility requirements with immigration assistance.

(b) The grantees, in collaboration with hospitals and safety net providers, shall provide referral assistance to connect individuals identified in paragraph (a) with alternative resources and services to assist in meeting their health care needs. \$100,000 is appropriated in fiscal year 2014 and \$100,000 in fiscal year 2015. This is a onetime appropriation.

Base Adjustment. The general fund is decreased by \$100,000 in fiscal year 2016 and \$100,000 in fiscal year 2017.

(i) Aging and Adult Services Grants

14,827,000

15,010,000

Base Adjustment. The general fund is increased by \$1,150,000 in fiscal year 2016 and \$1,151,000 in fiscal year 2017.

Community Service Development Grants and Community Services Grants. Community service development grants and community services grants are reduced by \$1,150,000 each year. This is a onetime reduction.

(j) Deaf and Hard-of-Hearing Grants	1,771,000	1,785,000
(k) Disabilities Grants	18,605,000	18,823,000

Advocating Change Together. \$310,000 in fiscal year 2014 is for a grant to Advocating Change Together (ACT) to maintain and promote services for persons with intellectual and developmental disabilities throughout the state. This appropriation is onetime. Of this appropriation:

(1) \$120,000 is for direct costs associated with the delivery and evaluation of peer-to-peer training programs administered throughout the state, focusing on education, employment, housing, transportation, and voting;

(2) \$100,000 is for delivery of statewide conferences focusing on leadership and skill development within the disability community; and

(3) \$90,000 is for administrative and general operating costs associated with managing or maintaining facilities, program delivery, staff, and technology.

Base Adjustment. The general fund base is increased by \$535,000 in fiscal year 2016 and by \$709,000 in fiscal year 2017.

(l) Adult Mental Health Grants

Appropriations by Fund

General	71,199,000	69,530,000
Health Care Access	750,000	750,000
Lottery Prize	1,733,000	1,733,000

Compulsive Gambling Treatment. Of the general fund appropriation, \$602,000 in fiscal year 2014 and \$747,000 in fiscal year 2015 are for compulsive gambling treatment under Minnesota Statutes, section 297E.02, subdivision 3, paragraph (c).

Problem Gambling. \$225,000 in fiscal year 2014 and \$225,000 in fiscal year 2015 is appropriated from the lottery prize fund for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling.

Funding Usage. Up to 75 percent of a fiscal year's appropriations for adult mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

Base Adjustment. The general fund base is decreased by \$4,427,000 in fiscal years 2016 and 2017.

Mental Health Pilot Project. \$230,000 each year is for a grant to the Zumbro Valley Mental Health Center. The grant shall be used to implement a pilot project to test an integrated behavioral health care coordination model. The grant recipient must report measurable outcomes and savings to the commissioner of human services by January 15, 2016. This is a onetime appropriation.

~~**High-risk adults.** \$200,000 in fiscal year 2014 is for a grant to the nonprofit organization selected to administer the demonstration project for high risk adults under Laws 2007, chapter 54, article 1, section 19, in order to complete the project. This is a onetime appropriation.~~

(m) Child Mental Health Grants

18,246,000

20,636,000

Text Message Suicide Prevention Program. \$625,000 in fiscal year 2014 and \$625,000 in fiscal year 2015 is for a grant to a nonprofit organization to establish and implement a statewide text message suicide prevention program. The program shall implement a suicide prevention counseling text line designed to use text messaging to connect with crisis counselors and to obtain emergency information and referrals to local resources in the local community. The program shall include training within schools and communities to encourage the use of the program.

Mental Health First Aid Training. \$22,000 in fiscal year 2014 and \$23,000 in fiscal year 2015 is to train teachers, social service personnel, law enforcement, and others who come into contact with children with mental illnesses, in children and adolescents mental health first aid training.

Funding Usage. Up to 75 percent of a fiscal year's appropriation for child mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

(n) CD Treatment Support Grants

1,816,000

1,816,000

SBIRT Training. (1) \$300,000 each year is for grants to train primary care clinicians to provide substance abuse brief intervention and referral to treatment (SBIRT). This is a onetime appropriation. The commissioner of human services shall apply to SAMHSA for an SBIRT professional training grant.

(2) If the commissioner of human services receives a grant under clause (1) funds appropriated under this clause, equal to the grant amount, up to the available appropriation, shall be transferred to the Minnesota Organization on Fetal Alcohol Syndrome (MOFAS). MOFAS must use the funds for grants. Grant

recipients must be selected from communities that are not currently served by federal Substance Abuse Prevention and Treatment Block Grant funds. Grant money must be used to reduce the rates of fetal alcohol syndrome and fetal alcohol effects, and the number of drug-exposed infants. Grant money may be used for prevention and intervention services and programs, including, but not limited to, community grants, professional education, public awareness, and diagnosis.

Fetal Alcohol Syndrome Grant. \$180,000 each year from the general fund is for a grant to the Minnesota Organization on Fetal Alcohol Syndrome (MOFAS) to support nonprofit Fetal Alcohol Spectrum Disorders (FASD) outreach prevention programs in Olmsted County. This is a onetime appropriation.

Base Adjustment. The general fund base is decreased by \$480,000 in fiscal year 2016 and \$480,000 in fiscal year 2017.

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

Sec. 8. Laws 2013, chapter 108, article 14, section 3, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$169,326,000	\$165,531,000
	<u>169,026,000</u>	<u>165,231,000</u>
Appropriations by Fund		
	2014	2015
General	79,476,000	74,256,000
State Government Special		
Revenue	48,094,000	50,119,000
Health Care Access	29,743,000	29,143,000
Federal TANF	11,713,000	11,713,000
Special Revenue	300,000	300,000

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

Sec. 9. Laws 2013, chapter 108, article 14, section 3, subdivision 4, is amended to read:

Subd. 4. Health Protection		
Appropriations by Fund		
General	9,201,000	9,201,000
State Government Special		
Revenue	32,633,000	32,636,000
Special Revenue	300,000	300,000

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

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

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

Sec. 10. Laws 2013, chapter 108, article 14, section 4, subdivision 8, is amended to read:

Subd. 8. Board of Nursing Home Administrators	3,742,000	2,252,000
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Administrative Services Unit - Operating Costs. Of this appropriation, \$676,000 in fiscal year 2014 and \$626,000 in fiscal year 2015 are for operating costs of the administrative services unit. The administrative services unit may receive and expend reimbursements for services performed by other agencies.

Administrative Services Unit - Volunteer Health Care Provider Program. Of this appropriation, \$150,000 in fiscal year 2014 and \$150,000 in fiscal year 2015 are to pay for medical professional liability coverage required under Minnesota Statutes, section 214.40.

Administrative Services Unit - Contested Cases and Other Legal Proceedings. Of this appropriation, \$200,000 in fiscal year 2014 and \$200,000 in fiscal year 2015 are for costs of contested case hearings and other unanticipated costs of legal proceedings involving health-related boards funded under this section. Upon certification of a health-related board to the administrative services unit that the costs will be incurred and that there is insufficient money available to pay for the costs out of money currently available to that board, the administrative services unit is authorized to transfer money from this appropriation to the board for payment of those costs with the approval of the commissioner of management and budget. This appropriation does not cancel and is available until expended.

This appropriation includes \$44,000 in fiscal year 2014 for rulemaking. This is a onetime appropriation. \$1,441,000 in fiscal year 2014 and \$420,000 in fiscal year 2015 are for the development of a shared disciplinary, regulatory, licensing, and information management system. \$391,000 in fiscal year 2014 is a onetime appropriation for retirement costs in the health-related boards. This funding may be transferred to the health boards incurring retirement costs. These funds are available either year of the biennium.

This appropriation includes \$16,000 in fiscal years 2014 and 2015 for evening security, \$2,000 in fiscal years 2014 and 2015 for a state vehicle lease, and \$18,000 in fiscal years 2014 and 2015 for shared office space and administrative support. \$205,000 in fiscal year 2014 and \$221,000 in fiscal year 2015 are for shared information technology services, equipment, and maintenance.

The remaining balance of the state government special revenue fund appropriation in Laws 2011, First Special Session chapter 9, article 10, section 8, subdivision 8, for Board of Nursing Home Administrators rulemaking, estimated to be \$44,000, is canceled, and the remaining balance of the state government special revenue fund appropriation in Laws 2011, First Special Session chapter 9, article 10, section 8, subdivision 8, for electronic licensing system adaptors, estimated to be \$761,000, and for the development and implementation of a disciplinary, regulatory, licensing, and information management system, estimated to be \$1,100,000, are canceled. This paragraph is effective the day following final enactment.

Base Adjustment. The base is decreased by \$370,000 in fiscal years 2016 and 2017.

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

Sec. 11. Laws 2013, chapter 108, article 14, section 12, is amended to read:

Sec. 12. **APPROPRIATION ADJUSTMENTS.**

(a) The general fund appropriation in section 2, subdivision 5, paragraph (g), includes up to \$53,391,000 in fiscal year 2014; \$216,637,000 in fiscal year 2015; \$261,660,000 in fiscal year 2016; and \$279,984,000 in fiscal year 2017, for medical assistance eligibility and administration changes related to:

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

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

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

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

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

(6) presumptive eligibility determinations by hospitals.

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

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

(d) For each fiscal year from 2014 to 2017, the commissioner of management and budget must adjust the health care access fund appropriation by the cumulative difference in costs reported by the commissioner of human services under paragraph (b). If, for any fiscal year, the amount of the cumulative difference in costs determined under paragraph (b) is positive, no adjustment shall be made to the health care access fund appropriation.

(e) This section expires on January 1, 2018.

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

Sec. 12. **EXPIRATION OF UNCODIFIED LANGUAGE.**

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

ARTICLE 30
HUMAN SERVICES FORECAST ADJUSTMENT

Section 1. **HUMAN SERVICES APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2013, chapter 108, article 14, from the general fund or any fund named to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2014, or June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2014</u>	<u>2015</u>
Sec. 2. <u>COMMISSIONER OF HUMAN SERVICES</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$(196,927)</u>	<u>\$64,288</u>
<u>Appropriations by Fund</u>		
General Fund	(153,497)	(25,282)
Health Care Access Fund	(36,533)	91,294
Federal TANF	(6,897)	(1,724)

Subd. 2. Forecasted Programs**(a) MFIP/DWP**Appropriations by Fund

<u>General Fund</u>	<u>3,571</u>	<u>173</u>
<u>Federal TANF</u>	<u>(6,475)</u>	<u>(1,298)</u>

(b) <u>MFIP Child Care Assistance</u>	<u>(684)</u>	<u>11,114</u>
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(c) <u>General Assistance</u>	<u>(2,569)</u>	<u>(1,940)</u>
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(d) <u>Minnesota Supplemental Aid</u>	<u>(690)</u>	<u>(614)</u>
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(e) <u>Group Residential Housing</u>	<u>250</u>	<u>(1,740)</u>
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(f) <u>MinnesotaCare</u>	<u>(34,838)</u>	<u>96,340</u>
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These appropriations are from the health care access fund.

(g) Medical AssistanceAppropriations by Fund

<u>General Fund</u>	<u>(149,494)</u>	<u>(27,075)</u>
<u>Health Care Access Fund</u>	<u>(1,695)</u>	<u>(5,046)</u>

(h) <u>Alternative Care Program</u>	<u>(6,936)</u>	<u>(13,260)</u>
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(i) <u>CCDTF Entitlements</u>	<u>3,055</u>	<u>8,060</u>
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<u>Subd. 3. <u>Technical Activities</u></u>	<u>(422)</u>	<u>(426)</u>
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These appropriations are from the federal TANF fund.

Sec. 3. Laws 2013, chapter 108, article 14, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	<u>\$6,438,485,000</u>	<u>\$6,457,117,000</u>
	<u>6,437,815,000</u>	<u>6,456,311,000</u>

Appropriations by Fund

	2014	2015
General	5,654,765,000	5,677,458,000
	<u>5,654,095,000</u>	<u>5,676,652,000</u>
State Government Special		
Revenue	4,099,000	4,510,000
Health Care Access	519,816,000	518,446,000
Federal TANF	257,915,000	254,813,000
Lottery Prize Fund	1,890,000	1,890,000

Receipts for Systems Projects. Appropriations and federal receipts for information systems projects for MAXIS, PRISM, MMIS, and SSIS must be deposited in the state system account authorized in Minnesota Statutes, section 256.014. Money appropriated for computer projects approved by the commissioner of Minnesota information technology services, funded by the legislature, and approved by the commissioner of management and budget, may be transferred from one project to another and from development to operations as the commissioner of human services considers necessary. Any unexpended balance in the appropriation for these projects does not cancel but is available for ongoing development and operations.

Nonfederal Share Transfers. The nonfederal share of activities for which federal administrative reimbursement is appropriated to the commissioner may be transferred to the special revenue fund.

ARRA Supplemental Nutrition Assistance Benefit Increases. The funds provided for food support benefit increases under the Supplemental Nutrition Assistance Program provisions of the American Recovery and Reinvestment Act (ARRA) of 2009 must be used for benefit increases beginning July 1, 2009.

Supplemental Nutrition Assistance Program Employment and Training. (1) Notwithstanding Minnesota Statutes, sections 256D.051, subdivisions 1a, 6b, and 6c, and 256J.626, federal Supplemental Nutrition Assistance employment and training funds received as reimbursement of MFIP consolidated fund grant expenditures for diversionary work program participants and child care assistance program expenditures must be deposited in the general fund. The amount of funds must be limited to \$4,900,000 per year in fiscal years 2014 and 2015, and to \$4,400,000 per year in fiscal years 2016 and 2017, contingent on approval by the federal Food and Nutrition Service.

(2) Consistent with the receipt of the federal funds, the commissioner may adjust the level of working family credit expenditures claimed as TANF maintenance of effort. Notwithstanding any contrary provision in this article, this rider expires June 30, 2017.

TANF Maintenance of Effort. (a) In order to meet the basic maintenance of effort (MOE) requirements of the TANF block grant specified under Code of Federal Regulations, title 45, section 263.1, the commissioner may only report nonfederal money expended for allowable activities listed in the following clauses as TANF/MOE expenditures:

(1) MFIP cash, diversionary work program, and food assistance benefits under Minnesota Statutes, chapter 256J;

(2) the child care assistance programs under Minnesota Statutes, sections 119B.03 and 119B.05, and county child care administrative costs under Minnesota Statutes, section 119B.15;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 256J and 256K;

(4) state, county, and tribal MFIP employment services under Minnesota Statutes, chapters 256J and 256K;

(5) expenditures made on behalf of legal noncitizen MFIP recipients who qualify for the MinnesotaCare program under Minnesota Statutes, chapter 256L;

(6) qualifying working family credit expenditures under Minnesota Statutes, section 290.0671;

(7) qualifying Minnesota education credit expenditures under Minnesota Statutes, section 290.0674; and

(8) qualifying Head Start expenditures under Minnesota Statutes, section 119A.50.

(b) The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's TANF/MOE requirements. For the activities listed in paragraph (a), clauses (2) to (8), the commissioner may only report expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31.

(c) For fiscal years beginning with state fiscal year 2003, the commissioner shall ensure that the maintenance of effort used by the commissioner of management and budget for the February and November forecasts required under Minnesota Statutes, section 16A.103, contains expenditures under paragraph (a), clause (1), equal to at least 16 percent of the total required under Code of Federal Regulations, title 45, section 263.1.

(d) The requirement in Minnesota Statutes, section 256.011, subdivision 3, that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law, do not apply if the grants or aids are federal TANF funds.

(e) For the federal fiscal years beginning on or after October 1, 2007, the commissioner may not claim an amount of TANF/MOE in excess of the 75 percent standard in Code of Federal Regulations, title 45, section 263.1(a)(2), except:

(1) to the extent necessary to meet the 80 percent standard under Code of Federal Regulations, title 45, section 263.1(a)(1), if it is determined by the commissioner that the state will not meet the TANF work participation target rate for the current year;

(2) to provide any additional amounts under Code of Federal Regulations, title 45, section 264.5, that relate to replacement of TANF funds due to the operation of TANF penalties; and

(3) to provide any additional amounts that may contribute to avoiding or reducing TANF work participation penalties through the operation of the excess MOE provisions of Code of Federal Regulations, title 45, section 261.43 (a)(2).

For the purposes of clauses (1) to (3), the commissioner may supplement the MOE claim with working family credit expenditures or other qualified expenditures to the extent such expenditures are otherwise available after considering the expenditures allowed in this subdivision and subdivisions 2 and 3.

(f) Notwithstanding any contrary provision in this article, paragraphs (a) to (e) expire June 30, 2017.

Working Family Credit Expenditures as TANF/MOE. The commissioner may claim as TANF maintenance of effort up to \$6,707,000 per year of working family credit expenditures in each fiscal year.

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

Sec. 4. Laws 2013, chapter 108, article 14, section 2, subdivision 4, as amended by Laws 2013, chapter 144, section 24, is amended to read:

Subd. 4. **Central Office**

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

(a) Operations

Appropriations by Fund		
General	101,979,000	96,858,000
State Government Special		
Revenue	3,974,000	4,385,000
Health Care Access	13,177,000	13,004,000
Federal TANF	100,000	100,000

DHS Receipt Center Accounting. The commissioner is authorized to transfer appropriations to, and account for DHS receipt center operations in, the special revenue fund.

Administrative Recovery; Set-Aside. The commissioner may invoice local entities through the SWIFT accounting system as an alternative means to recover the actual cost of administering the following provisions:

- (1) Minnesota Statutes, section 125A.744, subdivision 3;
- (2) Minnesota Statutes, section 245.495, paragraph (b);
- (3) Minnesota Statutes, section 256B.0625, subdivision 20, paragraph (k);
- (4) Minnesota Statutes, section 256B.0924, subdivision 6, paragraph (g);
- (5) Minnesota Statutes, section 256B.0945, subdivision 4, paragraph (d); and
- (6) Minnesota Statutes, section 256F.10, subdivision 6, paragraph (b).

Systems Modernization. The following amounts are appropriated for transfer to the state systems account authorized in Minnesota Statutes, section 256.014:

- (1) \$1,825,000 in fiscal year 2014 and \$2,502,000 in fiscal year 2015 is for the state share of Medicaid-allocated costs of the health insurance exchange information technology and operational structure. The funding base is \$3,222,000 in fiscal year 2016 and \$3,037,000 in fiscal year 2017 but shall not be included in the base thereafter; and
- (2) \$9,344,000 in fiscal year 2014 and \$3,660,000 in fiscal year 2015 are for the modernization and streamlining of agency eligibility and child support systems. The funding base is \$5,921,000 in fiscal year 2016 and \$1,792,000 in fiscal year 2017 but shall not be included in the base thereafter.

The unexpended balance of the \$9,344,000 appropriation in fiscal year 2014 and the \$3,660,000 appropriation in fiscal year 2015 must be transferred from the Department of Human Services state systems account to the Office of Enterprise Technology when the Office of Enterprise Technology has negotiated a federally approved internal service fund rates and billing process with sufficient internal accounting controls to properly maximize federal reimbursement to Minnesota for human services system modernization projects, but not later than June 30, 2015.

If contingent funding is fully or partially disbursed under article 15, section 3, and transferred to the state systems account, the unexpended balance of that appropriation must be transferred to the Office of Enterprise Technology in accordance with this clause. Contingent funding must not exceed \$11,598,000 for the biennium.

Base Adjustment. The general fund base is increased by \$2,868,000 in fiscal year 2016 and decreased by \$1,206,000 in fiscal year 2017. The health access fund base is decreased by

\$551,000 in fiscal years 2016 and 2017. The state government special revenue fund base is increased by \$4,000 in fiscal year 2016 and decreased by \$236,000 in fiscal year 2017.

(b) Children and Families

Appropriations by Fund

General	8,023,000	8,015,000
Federal TANF	2,282,000	2,282,000

Financial Institution Data Match and Payment of Fees. The commissioner is authorized to allocate up to \$310,000 each year in fiscal years 2014 and 2015 from the PRISM special revenue account to make payments to financial institutions in exchange for performing data matches between account information held by financial institutions and the public authority's database of child support obligors as authorized by Minnesota Statutes, section 13B.06, subdivision 7.

Base Adjustment. The general fund base is decreased by \$300,000 in fiscal years 2016 and 2017. The TANF fund base is increased by \$300,000 in fiscal years 2016 and 2017.

(c) Health Care

Appropriations by Fund

General	14,028,000	13,826,000
Health Care Access	28,442,000	31,137,000

Base Adjustment. The general fund base is decreased by \$86,000 in fiscal year 2016 and by \$86,000 in fiscal year 2017. The health care access fund base is increased by \$6,954,000 in fiscal year 2016 and by \$5,489,000 in fiscal year 2017.

(d) Continuing Care

Appropriations by Fund

General	20,993,000	22,359,000
State Government Special Revenue	125,000	125,000

Base Adjustment. The general fund base is increased by \$1,690,000 in fiscal year 2016 and by \$798,000 in fiscal year 2017.

(e) Chemical and Mental Health

Appropriations by Fund

General	4,639,000	4,490,000
	<u>4,571,000</u>	<u>4,431,000</u>
Lottery Prize Fund	157,000	157,000

~~Of the general fund appropriation, \$68,000 in fiscal year 2014 and \$59,000 in fiscal year 2015 are for compulsive gambling treatment under Minnesota Statutes, section 297E.02, subdivision 3, paragraph (c).~~

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

Sec. 5. Laws 2013, chapter 108, article 14, section 2, subdivision 6, as amended by Laws 2013, chapter 144, section 25, is amended to read:

Subd. 6. Grant Programs

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

(a) Support Services Grants

Appropriations by Fund

General	8,915,000	13,333,000
Federal TANF	94,611,000	94,611,000

Paid Work Experience. \$2,168,000 each year in fiscal years 2015 and 2016 is from the general fund for paid work experience for long-term MFIP recipients. Paid work includes full and partial wage subsidies and other related services such as job development, marketing, preworksites training, job coaching, and postplacement services. These are onetime appropriations. Unexpended funds for fiscal year 2015 do not cancel, but are available to the commissioner for this purpose in fiscal year 2016.

Work Study Funding for MFIP Participants. \$250,000 each year in fiscal years 2015 and 2016 is from the general fund to pilot work study jobs for MFIP recipients in approved postsecondary education programs. This is a onetime appropriation. Unexpended funds for fiscal year 2015 do not cancel, but are available for this purpose in fiscal year 2016.

Local Strategies to Reduce Disparities. \$2,000,000 each year in fiscal years 2015 and 2016 is from the general fund for local projects that focus on services for subgroups within the MFIP caseload who are experiencing poor employment outcomes. These are onetime appropriations. Unexpended funds for fiscal year 2015 do not cancel, but are available to the commissioner for this purpose in fiscal year 2016.

Home Visiting Collaborations for MFIP Teen Parents. \$200,000 per year in fiscal years 2014 and 2015 is from the general fund and \$200,000 in fiscal year 2016 is from the federal TANF fund for technical assistance and training to support local collaborations that provide home visiting services for MFIP teen parents. The general fund appropriation is onetime. The federal TANF fund appropriation is added to the base.

Performance Bonus Funds for Counties. The TANF fund base is increased by \$1,500,000 each year in fiscal years 2016 and 2017. The commissioner must allocate this amount each year to counties that exceed their expected range of performance on the annualized three-year self-support index as defined in Minnesota Statutes, section 256J.751, subdivision 2, clause (6). This is a permanent base adjustment. Notwithstanding any contrary provisions in this article, this provision expires June 30, 2016.

Base Adjustment. The general fund base is decreased by \$200,000 in fiscal year 2016 and \$4,618,000 in fiscal year 2017. The TANF fund base is increased by \$1,700,000 in fiscal years 2016 and 2017.

(b) Basic Sliding Fee Child Care Assistance Grants	36,836,000	42,318,000
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Base Adjustment. The general fund base is increased by \$3,778,000 in fiscal year 2016 and by \$3,849,000 in fiscal year 2017.

(c) Child Care Development Grants	1,612,000	1,737,000
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(d) Child Support Enforcement Grants	50,000	50,000
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Federal Child Support Demonstration Grants. Federal administrative reimbursement resulting from the federal child support grant expenditures authorized under United States Code, title 42, section 1315, is appropriated to the commissioner for this activity.

(e) Children's Services Grants

Appropriations by Fund

General	49,760,000	52,961,000
Federal TANF	140,000	140,000

Adoption Assistance and Relative Custody Assistance. \$37,453,000 in fiscal year 2014 and \$37,453,000 in fiscal year 2015 is for the adoption assistance and relative custody assistance programs. The commissioner shall determine with the commissioner of Minnesota Management and Budget the appropriation for Northstar Care for Children effective January 1, 2015. The commissioner may transfer appropriations for adoption assistance, relative custody assistance, and Northstar Care for Children between fiscal years and among programs to adjust for transfers across the programs.

Title IV-E Adoption Assistance. Additional federal reimbursements to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance are appropriated for postadoption services, including a parent-to-parent support network.

Privatized Adoption Grants. Federal reimbursement for privatized adoption grant and foster care recruitment grant expenditures is appropriated to the commissioner for adoption grants and foster care and adoption administrative purposes.

Adoption Assistance Incentive Grants. Federal funds available during fiscal years 2014 and 2015 for adoption incentive grants are appropriated for postadoption services, including a parent-to-parent support network.

Base Adjustment. The general fund base is increased by \$5,913,000 in fiscal year 2016 and by \$10,297,000 in fiscal year 2017.

(f) Child and Community Service Grants	53,301,000	53,301,000
(g) Child and Economic Support Grants	21,047,000	20,848,000

Minnesota Food Assistance Program. Unexpended funds for the Minnesota food assistance program for fiscal year 2014 do not cancel but are available for this purpose in fiscal year 2015.

Transitional Housing. \$250,000 each year is for the transitional housing programs under Minnesota Statutes, section 256E.33.

Emergency Services. \$250,000 each year is for emergency services grants under Minnesota Statutes, section 256E.36.

Family Assets for Independence. \$250,000 each year is for the Family Assets for Independence Minnesota program. This appropriation is available in either year of the biennium and may be transferred between fiscal years.

Food Shelf Programs. \$375,000 in fiscal year 2014 and \$375,000 in fiscal year 2015 are for food shelf programs under Minnesota Statutes, section 256E.34. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. Notwithstanding Minnesota Statutes, section 256E.34, subdivision 4, no portion of this appropriation may be used by Hunger Solutions for its administrative expenses, including but not limited to rent and salaries.

Homeless Youth Act. \$2,000,000 in fiscal year 2014 and \$2,000,000 in fiscal year 2015 is for purposes of Minnesota Statutes, section 256K.45.

Safe Harbor Shelter and Housing. \$500,000 in fiscal year 2014 and \$500,000 in fiscal year 2015 is for a safe harbor shelter and housing fund for housing and supportive services for youth who are sexually exploited.

(h) Health Care Grants

Appropriations by Fund

General	190,000	190,000
Health Care Access	190,000	190,000

Emergency Medical Assistance Referral and Assistance

Grants. (a) The commissioner of human services shall award grants to nonprofit programs that provide immigration legal services based on indigency to provide legal services for immigration assistance to individuals with emergency medical conditions or complex and chronic health conditions who are not currently eligible for medical assistance or other public health care programs, but who may meet eligibility requirements with immigration assistance.

(b) The grantees, in collaboration with hospitals and safety net providers, shall provide referral assistance to connect individuals identified in paragraph (a) with alternative resources and services to assist in meeting their health care needs. \$100,000 is appropriated in fiscal year 2014 and \$100,000 in fiscal year 2015. This is a onetime appropriation.

Base Adjustment. The general fund is decreased by \$100,000 in fiscal year 2016 and \$100,000 in fiscal year 2017.

(i) Aging and Adult Services Grants 14,827,000 15,010,000

Base Adjustment. The general fund is increased by \$1,150,000 in fiscal year 2016 and \$1,151,000 in fiscal year 2017.

Community Service Development Grants and Community Services Grants. Community service development grants and community services grants are reduced by \$1,150,000 each year. This is a onetime reduction.

(j) Deaf and Hard-of-Hearing Grants 1,771,000 1,785,000

(k) Disabilities Grants 18,605,000 18,823,000

Advocating Change Together. \$310,000 in fiscal year 2014 is for a grant to Advocating Change Together (ACT) to maintain and promote services for persons with intellectual and developmental disabilities throughout the state. This appropriation is onetime. Of this appropriation:

(1) \$120,000 is for direct costs associated with the delivery and evaluation of peer-to-peer training programs administered throughout the state, focusing on education, employment, housing, transportation, and voting;

(2) \$100,000 is for delivery of statewide conferences focusing on leadership and skill development within the disability community; and

(3) \$90,000 is for administrative and general operating costs associated with managing or maintaining facilities, program delivery, staff, and technology.

Base Adjustment. The general fund base is increased by \$535,000 in fiscal year 2016 and by \$709,000 in fiscal year 2017.

(l) Adult Mental Health Grants

Appropriations by Fund

General	71,199,000	69,530,000
	<u>70,597,000</u>	<u>68,783,000</u>
Health Care Access	750,000	750,000
Lottery Prize	1,733,000	1,733,000

~~**Compulsive Gambling Treatment.** Of the general fund appropriation, \$602,000 in fiscal year 2014 and \$747,000 in fiscal year 2015 are for compulsive gambling treatment under Minnesota Statutes, section 297E.02, subdivision 3, paragraph (c).~~

Problem Gambling. \$225,000 in fiscal year 2014 and \$225,000 in fiscal year 2015 is appropriated from the lottery prize fund for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling.

Funding Usage. Up to 75 percent of a fiscal year's appropriations for adult mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

Base Adjustment. The general fund base is decreased by ~~\$4,427,000~~ \$4,441,000 in fiscal years 2016 and 2017.

Mental Health Pilot Project. \$230,000 each year is for a grant to the Zumbro Valley Mental Health Center. The grant shall be used to implement a pilot project to test an integrated behavioral health care coordination model. The grant recipient must report measurable outcomes and savings to the commissioner of human services by January 15, 2016. This is a onetime appropriation.

High-risk adults. \$200,000 in fiscal year 2014 is for a grant to the nonprofit organization selected to administer the demonstration project for high-risk adults under Laws 2007, chapter 54, article 1, section 19, in order to complete the project. This is a onetime appropriation.

(m) Child Mental Health Grants

18,246,000

20,636,000

Text Message Suicide Prevention Program. \$625,000 in fiscal year 2014 and \$625,000 in fiscal year 2015 is for a grant to a nonprofit organization to establish and implement a statewide text message suicide prevention program. The program shall implement a suicide prevention counseling text line designed to use text messaging to connect with crisis counselors and to obtain emergency information and referrals to local resources in the local community. The program shall include training within schools and communities to encourage the use of the program.

Mental Health First Aid Training. \$22,000 in fiscal year 2014 and \$23,000 in fiscal year 2015 is to train teachers, social service personnel, law enforcement, and others who come into contact with children with mental illnesses, in children and adolescents mental health first aid training.

Funding Usage. Up to 75 percent of a fiscal year's appropriation for child mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

(n) CD Treatment Support Grants

1,816,000

1,816,000

SBIRT Training. (1) \$300,000 each year is for grants to train primary care clinicians to provide substance abuse brief intervention and referral to treatment (SBIRT). This is a onetime appropriation. The commissioner of human services shall apply to SAMHSA for an SBIRT professional training grant.

(2) If the commissioner of human services receives a grant under clause (1) funds appropriated under this clause, equal to the grant amount, up to the available appropriation, shall be transferred to the Minnesota Organization on Fetal Alcohol Syndrome (MOFAS). MOFAS must use the funds for grants. Grant recipients must be selected from communities that are not currently served by federal Substance Abuse Prevention and Treatment Block Grant funds. Grant money must be used to reduce the rates of fetal alcohol syndrome and fetal alcohol effects, and the number of drug-exposed infants. Grant money may be used for prevention and intervention services and programs, including, but not limited to, community grants, professional education, public awareness, and diagnosis.

Fetal Alcohol Syndrome Grant. \$180,000 each year from the general fund is for a grant to the Minnesota Organization on Fetal Alcohol Syndrome (MOFAS) to support nonprofit Fetal Alcohol Spectrum Disorders (FASD) outreach prevention programs in Olmsted County. This is a onetime appropriation.

Base Adjustment. The general fund base is decreased by \$480,000 in fiscal year 2016 and \$480,000 in fiscal year 2017.

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

Sec. 6. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Daudt amendment and the roll was called. There were 61 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hackbarth	Leidiger	Peppin	Torkelson
Albright	Drazkowski	Hamilton	Loon	Petersburg	Uglen
Anderson, M.	Erickson, S.	Hertaus	Mack	Pugh	Urdahl
Anderson, P.	Fabian	Holberg	McDonald	Quam	Wills
Anderson, S.	Faust	Hoppe	McNamar	Runbeck	Woodard
Barrett	FitzSimmons	Howe	McNamara	Sanders	Zellers
Beard	Franson	Johnson, B.	Myhra	Sawatzky	
Benson, M.	Garofalo	Kelly	Newberger	Schomacker	
Daudt	Green	Kieffer	Nornes	Scott	
Davids	Gruenhagen	Kiel	O'Driscoll	Swedzinski	
Dean, M.	Gunther	Kresha	O'Neill	Theis	

Those who voted in the negative were:

Allen	Dill	Hornstein	Loeffler	Murphy, M.	Selcer
Anzelc	Dorholt	Hortman	Lohmer	Nelson	Simonson
Atkins	Erhardt	Huntley	Mahoney	Newton	Slocum
Benson, J.	Erickson, R.	Isaacson	Mariani	Norton	Sundin
Bernardy	Falk	Johnson, C.	Marquart	Paymar	Wagenius
Bly	Fischer	Johnson, S.	Masin	Pelowski	Ward, J.A.
Brynaert	Freiberg	Kahn	Melin	Persell	Ward, J.E.
Carlson	Fritz	Laine	Metsa	Poppe	Winkler
Clark	Halverson	Lenczewski	Moran	Radinovich	Yarusso
Cornish	Hansen	Liebling	Morgan	Rosenthal	Zerwas
Davnie	Hausman	Lien	Mullery	Savick	Spk. Thissen
Dehn, R.	Hilstrom	Lillie	Murphy, E.	Schoen	

The motion did not prevail and the amendment was not adopted.

Marquart moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 212, delete lines 24 to 30

Page 213, delete lines 12 to 19

Renumber the subdivisions in sequence

The motion prevailed and the amendment was adopted.

Mahoney moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 23, delete subdivision 3

Renumber the subdivisions in sequence

Page 30, line 33, delete "25" and insert "40"

Page 34, delete article 5

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dettmer moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 437, after line 33, insert:

"ARTICLE 33
MILITARY AFFAIRS

Section 1. **APPROPRIATION.**

An amount up to \$200,000 is appropriated in fiscal year 2014 from the general fund to the adjutant general of military affairs for a grant to the USS Minnesota Commissioning Committee to support activities related to the commissioning of the USS Minnesota. The grant shall be provided upon the condition that each state-appropriated dollar be matched with a private sector dollar. The USS Minnesota Commissioning Committee shall certify to the adjutant general by June 15, 2014, the amount of private sector funds raised to support the commissioning of the USS Minnesota. Acceptable matching funds are private sector contributions that the USS Minnesota Commissioning Committee has received and that have not been used to match any other state grant."

A roll call was requested and properly seconded.

Dettmer moved to amend his amendment to H. F. No. 3172, the first engrossment, as amended, as follows:

Page 1, line 14, after the period, insert:

"This appropriation is onetime and does not become part of the agency's base budget."

Page 1, after line 14, insert:

"Section 1. Laws 2013, chapter 142, article 1, section 11, subdivision 4, is amended to read:

Subd. 4. Fiscal Agent	11,077,000	10,777,000
		<u>10,577,000</u>

The appropriations under this section are to the commissioner of administration for the purposes specified.

In-Lieu of Rent. \$8,158,000 the first year and \$8,158,000 the second year are for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Broadcasting. (a) \$1,550,000 the first year and \$1,550,000 the second year are for matching grants for public television.

(b) \$250,000 the first year and \$250,000 the second year are for public television equipment grants.

(c) The equipment or matching grants in paragraphs (a) and (b) must be allocated after considering the recommendations of the Minnesota Public Television Association.

(d) \$392,000 the first year and \$392,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages.

(e) \$117,000 the first year and \$117,000 the second year are for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under \$500.

(f) The grants in paragraphs (d) and (e) must be allocated after considering the recommendations of the Association of Minnesota Public Education Radio Stations under Minnesota Statutes, section 129D.14.

(g) \$610,000 the first year and ~~\$310,000~~ \$110,000 the second year are for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(h) Any unencumbered balance remaining the first year for grants to public television or radio stations does not cancel and is available for the second year."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment to the amendment was not adopted.

POINT OF ORDER

Carlson raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Dettmer amendment was not in order. The Speaker ruled the point of order well taken and the Dettmer amendment out of order.

Newberger moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 48, strike lines 14 to 18

Page 48, line 19, strike "(e)" and insert "(d)"

Page 48, line 24, strike "(f)" and insert "(e)"

Page 48, line 33, strike "(g)" and insert "(f)"

Page 49, line 5, strike "(h)" and insert "(g)"

The motion prevailed and the amendment was adopted.

Kresha moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 8, line 16, after "organization" insert "that has extensive experience working with Minnesota broadband providers"

The motion prevailed and the amendment was adopted.

Holberg moved to amend H. F. No. 3172, the first engrossment, as amended.

Laine requested a division of the Holberg amendment to H. F. No. 3172, the first engrossment, as amended.

The first portion of the Holberg amendment to H. F. No. 3172, the first engrossment, as amended, reads as follows:

Page 43, line 7, before the period, insert "under Minnesota Statutes, sections 179.90 to 179.91"

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first portion of the Holberg amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, P.	Beard	Daudt	Dettmer	Fabian
Albright	Anderson, S.	Benson, M.	Davids	Drazkowski	FitzSimmons
Anderson, M.	Barrett	Cornish	Dean, M.	Erickson, S.	Franson

Garofalo	Hoppe	Lohmer	O'Driscoll	Sanders	Wills
Green	Howe	Loon	O'Neill	Schomacker	Woodard
Gruenhagen	Johnson, B.	Mack	Peppin	Scott	Zellers
Gunther	Kelly	McDonald	Petersburg	Swedzinski	Zerwas
Hackbarth	Kieffer	McNamara	Pugh	Theis	
Hamilton	Kiel	Myhra	Quam	Torkelson	
Hertaus	Kresha	Newberger	Rosenthal	Uglen	
Holberg	Leidiger	Nornes	Runbeck	Urdahl	

Those who voted in the negative were:

Allen	Dorholt	Hornstein	Loeffler	Murphy, M.	Simonson
Anzelc	Erhardt	Hortman	Mahoney	Nelson	Slocum
Atkins	Erickson, R.	Huntley	Mariani	Newton	Sundin
Benson, J.	Falk	Isaacson	Marquart	Norton	Wagenius
Bernardy	Faust	Johnson, C.	Masin	Pelowski	Ward, J.A.
Bly	Fischer	Johnson, S.	McNamar	Persell	Ward, J.E.
Brynaert	Freiberg	Kahn	Melin	Poppe	Winkler
Carlson	Fritz	Laine	Metsa	Radinovich	Yarusso
Clark	Halverson	Lenczewski	Moran	Savick	
Davnie	Hansen	Liebling	Morgan	Sawatzky	
Dehn, R.	Hausman	Lien	Mullery	Schoen	
Dill	Hilstrom	Lillie	Murphy, E.	Selcer	

The motion did not prevail and the first portion of the Holberg amendment was not adopted.

The second portion of the Holberg amendment to H. F. No. 3172, the first engrossment, as amended, reads as follows:

Page 43, after line 7, insert:

"(c) The commissioner must post and maintain, on the Bureau of Mediation Services Web site, a list of the sources of funds and amounts received under this subdivision."

Amend the title accordingly

The motion prevailed and the second portion of the Holberg amendment was adopted.

Drazkowski moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 66, line 31, delete "42,732,000" and insert "42,700,000"

Page 67, delete lines 5 to 11

Reletter the paragraphs in sequence

Page 69, line 30, after the semicolon, insert "and"

Page 69, line 32, delete "; and" and insert a period

Page 70, delete lines 1 to 8

Page 98, delete section 12

Page 101, delete section 17

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Drazkowski amendment and the roll was called. There were 61 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Hackbarth	Leidiger	Peppin	Uglem
Anderson, M.	Drazkowski	Hamilton	Lohmer	Petersburg	Urdahl
Anderson, P.	Erickson, S.	Hertaus	Loon	Pugh	Wills
Anderson, S.	Fabian	Holberg	Mack	Quam	Woodard
Barrett	Faust	Hoppe	McDonald	Runbeck	Zellers
Beard	FitzSimmons	Howe	McNamara	Sanders	Zerwas
Benson, M.	Franson	Johnson, B.	Myhra	Schomacker	
Cornish	Garofalo	Kelly	Newberger	Scott	
Daudt	Green	Kieffer	Nornes	Swedzinski	
Davids	Gruenhagen	Kiel	O'Driscoll	Theis	
Dean, M.	Gunther	Kresha	O'Neill	Torkelson	

Those who voted in the negative were:

Allen	Dorholt	Hortman	Mahoney	Nelson	Selcer
Anzelc	Erhardt	Huntley	Mariani	Newton	Simonson
Atkins	Erickson, R.	Isaacson	Marquart	Norton	Slocum
Benson, J.	Falk	Johnson, C.	Masin	Paymar	Sundin
Bernardy	Fischer	Johnson, S.	McNamar	Pelowski	Wagenius
Bly	Freiberg	Kahn	Melin	Persell	Ward, J.A.
Brynaert	Fritz	Laine	Metsa	Poppe	Ward, J.E.
Carlson	Halverson	Lenczewski	Moran	Radinovich	Winkler
Clark	Hansen	Liebling	Morgan	Rosenthal	Yarusso
Davnie	Hausman	Lien	Mullery	Savick	Spk. Thissen
Dehn, R.	Hilstrom	Lillie	Murphy, E.	Sawatzky	
Dill	Hornstein	Loeffler	Murphy, M.	Schoen	

The motion did not prevail and the amendment was not adopted.

Kelly moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 126, after line 33, insert:

"Sec. 27. Minnesota Statutes 2012, section 115B.39, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) In addition to the definitions in this subdivision, the definitions in sections 115A.03 and 115B.02 apply to sections 115B.39 to 115B.445, except as specifically modified in this subdivision.

(b) "Cleanup order" means a consent order between responsible persons and the agency or an order issued by the United States Environmental Protection Agency under section 106 of the federal Superfund Act.

(c) "Closure" means actions to prevent or minimize the threat to public health and the environment posed by a mixed municipal solid waste disposal facility that has stopped accepting waste by controlling the sources of releases or threatened releases at the facility. "Closure" includes removing contaminated equipment and liners; applying final cover; grading and seeding final cover; installing wells, borings, and other monitoring devices; constructing groundwater and surface water diversion structures; and installing gas control systems and site security systems, as necessary. The commissioner may authorize use of final cover that includes processed materials that meet the requirements in Code of Federal Regulations, title 40, section 503.32, paragraph (a).

(d) "Closure upgrade" means construction activity that will, at a minimum, modify an existing cover so that it satisfies current rule requirements for mixed municipal solid waste land disposal facilities.

(e) "Contingency action" means organized, planned, or coordinated courses of action to be followed in case of fire, explosion, or release of solid waste, waste by-products, or leachate that could threaten human health or the environment.

(f) "Corrective action" means steps taken to repair facility structures including liners, monitoring wells, separation equipment, covers, and aeration devices and to bring the facility into compliance with design, construction, groundwater, surface water, and air emission standards.

(g) "Decomposition gases" means gases produced by chemical or microbial activity during the decomposition of solid waste.

(h) "Dump materials" means nonhazardous mixed municipal solid wastes disposed at a Minnesota waste disposal site other than a qualified facility prior to 1973.

(i) "Environmental response action" means response action at a qualified facility, including corrective action, closure, postclosure care; contingency action; environmental studies, including remedial investigations and feasibility studies; engineering, including remedial design; removal; remedial action; site construction; and other similar cleanup-related activities.

(j) "Environmental response costs" means:

(1) costs of environmental response action, not including legal or administrative expenses; and

(2) costs required to be paid to the federal government under section 107(a) of the federal Superfund Act, as amended.

(k) "Postclosure" or "postclosure care" means actions taken for the care, maintenance, and monitoring of closure actions at a mixed municipal solid waste disposal facility.

(l) "Qualified facility" means a mixed municipal solid waste disposal facility as described in the most recent agency permit, including adjacent property used for solid waste disposal that did not occur under a permit from the agency, that:

(1)(i) is or was permitted by the agency;

(ii) stopped accepting solid waste, except demolition debris, for disposal by April 9, 1994; and

(iii) stopped accepting demolition debris for disposal by June 1, 1994, except that demolition debris may be accepted until May 1, 1995, at a permitted area where disposal of demolition debris is allowed, if the area where the demolition debris is deposited is at least 50 feet from the fill boundary of the area where mixed municipal solid waste was deposited; or

(2) (†) is or was permitted by the agency; and

(†) (i) stopped accepting waste by January 1, 2000, except that demolition debris, industrial waste, and municipal solid waste combustor ash may be accepted until January 1, 2001, at a permitted area where disposal of such waste is allowed, if the area where the waste is deposited is at least 50 feet from the fill boundary of the area where mixed municipal solid waste was deposited; or

(ii) stopped accepting waste by January 1, 2019, and is located in a county that meets all applicable recycling goals in section 115A.551 and that has arranged for all mixed municipal solid waste generated in the county to be delivered to and processed by a resource recovery facility located in the county for at least 20 years.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kelly amendment and the roll was called. There were 66 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gruenhagen	Kiel	Nornes	Schomacker
Albright	Dean, M.	Gunther	Kresha	O'Driscoll	Scott
Anderson, M.	Dettmer	Hackbarth	Leidiger	O'Neill	Swedzinski
Anderson, P.	Dill	Hamilton	Lohmer	Peppin	Theis
Anderson, S.	Drazkowski	Hertaus	Loon	Petersburg	Torkelson
Anzelc	Erickson, S.	Holberg	Mack	Pugh	Uglen
Barrett	Fabian	Hoppe	McDonald	Quam	Urdahl
Beard	FitzSimmons	Howe	McNamara	Rosenthal	Wills
Benson, M.	Franson	Johnson, B.	Metsa	Runbeck	Woodard
Cornish	Garofalo	Kelly	Myhra	Sanders	Zellers
Daudt	Green	Kieffer	Newberger	Schoen	Zerwas

Those who voted in the negative were:

Allen	Davnie	Freiberg	Huntley	Lien	Melin
Atkins	Dehn, R.	Fritz	Isaacson	Lillie	Moran
Benson, J.	Dorholt	Halverson	Johnson, C.	Loeffler	Morgan
Bernardy	Erhardt	Hansen	Johnson, S.	Mahoney	Mullery
Bly	Erickson, R.	Hausman	Kahn	Mariani	Murphy, E.
Brynaert	Falk	Hilstrom	Laine	Marquart	Murphy, M.
Carlson	Faust	Hornstein	Lenczewski	Masin	Nelson
Clark	Fischer	Hortman	Liebling	McNamar	Newton

Norton	Poppe	Sawatzky	Slocum	Ward, J.A.	Yarusso
Pelowski	Radinovich	Selcer	Sundin	Ward, J.E.	Spk. Thissen
Persell	Savick	Simonson	Wagenius	Winkler	

The motion prevailed and the amendment was adopted.

Swedzinski moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 109, line 34, delete "\$5,064,000" and insert "\$3,864,000"

Page 110, after line 23, insert:

"\$1,200,000 in 2015 is for the Veterinary Diagnostic Laboratory to research porcine epidemic diarrhea virus and other emerging livestock diseases."

A roll call was requested and properly seconded.

Wagenius moved to amend the Swedzinski amendment to H. F. No. 3172, the first engrossment, as amended, as follows:

Page 1, line 8, after the period, insert "Any unexpended balance as of June 30, 2015, is for the Invasive Terrestrial Plants and Pests Center requested under this act and is available until June 30, 2025."

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Swedzinski amendment, as amended, and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	FitzSimmons	Howe	Loeffler	Myhra
Albright	Daudt	Franson	Huntley	Lohmer	Nelson
Allen	Davids	Freiberg	Isaacson	Loon	Newberger
Anderson, M.	Davnie	Fritz	Johnson, B.	Mack	Newton
Anderson, P.	Dean, M.	Garofalo	Johnson, C.	Mahoney	Nornes
Anderson, S.	Dehn, R.	Green	Johnson, S.	Mariani	Norton
Anzelc	Dettmer	Gruenhagen	Kahn	Marquart	O'Driscoll
Atkins	Dill	Gunther	Kelly	Masin	O'Neill
Barrett	Dorholt	Hackbarth	Kieffer	McDonald	Paymar
Beard	Drazkowski	Halverson	Kiel	McNamar	Pelowski
Benson, J.	Erhardt	Hamilton	Kresha	McNamara	Peppin
Benson, M.	Erickson, R.	Hansen	Laine	Melin	Persell
Bernardy	Erickson, S.	Hertaus	Leidiger	Metsa	Petersburg
Bly	Fabian	Holberg	Lenczewski	Moran	Poppe
Brynaert	Falk	Hoppe	Liebling	Morgan	Pugh
Carlson	Faust	Hornstein	Lien	Murphy, E.	Quam
Clark	Fischer	Hortman	Lillie	Murphy, M.	Radinovich

Rosenthal	Schoen	Slocum	Uglen	Wills	Zerwas
Runbeck	Schomacker	Sundin	Urdahl	Winkler	Spk. Thissen
Sanders	Scott	Swedzinski	Wagenius	Woodard	
Savick	Selcer	Theis	Ward, J.A.	Yarusso	
Sawatzky	Simonson	Torkelson	Ward, J.E.	Zellers	

The motion prevailed and the amendment, as amended, was adopted.

Torkelson moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 123, line 14, delete the new language and insert "AND SPORTS FACILITIES"

Page 123, line 15, delete the first comma and insert "and" and delete everything after "facility"

Page 123, line 16, delete the new language

Page 123, line 30, after the semicolon, insert "and"

Page 123, delete lines 31 to 33

Page 123, line 34, delete "(5)" and insert "(4)"

Page 124, line 31, delete the new language

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Torkelson amendment and the roll was called. There were 79 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Halverson	Lohmer	O'Neill	Swedzinski
Albright	Drazkowski	Hamilton	Loon	Pelowski	Theis
Anderson, M.	Erhardt	Hertaus	Mack	Peppin	Torkelson
Anderson, P.	Erickson, R.	Holberg	McDonald	Petersburg	Uglen
Anderson, S.	Erickson, S.	Hoppe	McNamar	Poppe	Urdahl
Anzelc	Fabian	Howe	McNamara	Pugh	Wills
Barrett	Faust	Johnson, B.	Melin	Quam	Woodard
Beard	FitzSimmons	Kelly	Metsa	Rosenthal	Zellers
Benson, M.	Franson	Kieffer	Myhra	Runbeck	Zerwas
Cornish	Garofalo	Kiel	Newberger	Sanders	
Daudt	Green	Kresha	Newton	Savick	
Davids	Gruenhagen	Leidiger	Nornes	Sawatzky	
Dean, M.	Gunther	Lenczewski	Norton	Schomacker	
Dettmer	Hackbarth	Lien	O'Driscoll	Scott	

Those who voted in the negative were:

Allen	Dehn, R.	Hornstein	Lillie	Murphy, E.	Sundin
Atkins	Dorholt	Hortman	Loeffler	Murphy, M.	Wagenius
Benson, J.	Falk	Huntley	Mahoney	Nelson	Ward, J.A.
Bernardy	Fischer	Isaacson	Mariani	Paymar	Winkler
Bly	Freiberg	Johnson, C.	Marquart	Persell	Yarusso
Brynaert	Fritz	Johnson, S.	Masin	Schoen	Spk. Thissen
Carlson	Hansen	Kahn	Moran	Selcer	
Clark	Hausman	Laine	Morgan	Simonson	
Davnie	Hilstrom	Liebling	Mullery	Slocum	

The motion prevailed and the amendment was adopted.

Sawatzky moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 193, line 25, delete everything after the period

Page 193, delete lines 26 to 30

Page 193, line 31, delete everything before "For"

Page 193, after line 34, insert:

"(e) All data on individuals maintained in the statewide reporting system are classified as provided in chapter 13 or other applicable state or federal law. An authorized individual's ability to enter, update, or access data must be limited through the use of role-based access codes corresponding to that individual's official duties or training level, and the statutory authorization that grants access for a particular purpose. Any action in which data in the system are entered, updated, accessed, or shared or disseminated outside of the system must be recorded in an audit trail. The audit trail must identify the specific user responsible for the action, the date and time the action occurred, and the purpose for the action. Data contained in the audit trail maintain the same classification as the underlying data affected by the action, provided the responsible authority makes the data available to a student or the student's parent upon request, and the responsible authority may access the data to audit the system's user activity and security safeguards. Before entering data on a student, the responsible authority must provide the student or the student's parent written notice of the data practices rights and responsibilities required by this subdivision and a reasonable opportunity to refuse consent to have the student's data included in the system. Upon receiving the student or the student's parent written refusal to consent, the school district must not enter data on that student into the system and must delete any existing data on that student currently in the system."

Page 193, line 35, delete "(e)" and insert "(f)"

Page 194, line 4, after the period, insert "The public Internet Web interface must have a prominently-linked page describing the rights and responsibilities of students and parents whose data are included in the statewide reporting system, and include information on the data practices rights of students and parents provided by this subdivision and a form students or parents may use to refuse consent to have a student's data included in the system."

Page 194, line 6, delete "(f)" and insert "(g)"

The motion prevailed and the amendment was adopted.

Erickson, S., moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 212, after line 10, insert:

"Subd. 10. **Legislative auditor.** At the conclusion of the 2015-2016 school year, and every four years thereafter, as resources permit, the legislative auditor must examine the Crosswinds school program and report on its performance and financial stability."

A roll call was requested and properly seconded.

The question was taken on the Erickson, S., amendment and the roll was called. There were 61 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean, M.	Hackbarth	Leidiger	Peppin	Uglem
Albright	Dettmer	Hamilton	Lohmer	Petersburg	Urdahl
Anderson, M.	Drazkowski	Hertaus	Loon	Pugh	Wills
Anderson, P.	Erickson, S.	Holberg	Mack	Quam	Woodard
Anderson, S.	Fabian	Hoppe	McDonald	Runbeck	Zellers
Barrett	FitzSimmons	Howe	McNamara	Sanders	Zerwas
Beard	Franson	Johnson, B.	Myhra	Schomacker	
Benson, M.	Garofalo	Kelly	Newberger	Scott	
Cornish	Green	Kieffer	Nornes	Swedzinski	
Daudt	Gruenhagen	Kiel	O'Driscoll	Theis	
Davids	Gunther	Kresha	O'Neill	Torkelson	

Those who voted in the negative were:

Allen	Dorholt	Hornstein	Loeffler	Murphy, M.	Schoen
Anzelc	Erhardt	Hortman	Mahoney	Nelson	Selcer
Atkins	Erickson, R.	Huntley	Mariani	Newton	Simonson
Benson, J.	Falk	Isaacson	Marquart	Norton	Slocum
Bernardy	Faust	Johnson, C.	Masin	Paymar	Sundin
Bly	Fischer	Johnson, S.	McNamar	Pelowski	Wagenius
Brynaert	Freiberg	Kahn	Melin	Persell	Ward, J.A.
Carlson	Fritz	Laine	Metsa	Poppe	Ward, J.E.
Clark	Halverson	Lenczewski	Moran	Radinovich	Winkler
Davnie	Hansen	Liebling	Morgan	Rosenthal	Yarusso
Dehn, R.	Hausman	Lien	Mullery	Savick	Spk. Thissen
Dill	Hilstrom	Lillie	Murphy, E.	Sawatzky	

The motion did not prevail and the amendment was not adopted.

Gruenhagen moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 192, after line 15, insert:

"Sec. 11. [125A.851] TITLE.

Sections 125A.851 to 125A.857 may be cited as the Minnesota Special Education Scholarship Act.

Sec. 12. **[125A.852] POLICY AND PURPOSE.**

The purpose of the Minnesota Special Education Scholarship Act is to grant parents the ability to choose the special education services provider for their children.

Sec. 13. **[125A.853] DEFINITIONS.**

Subdivision 1. **Terms.** For purposes of sections 125A.851 to 125A.857, the terms in this subdivision have the meaning given them.

Subd. 2. **Eligible student.** "Eligible student" means an eligible child with a disability who has an individualized education program and who was enrolled in a Minnesota school district or charter school throughout the school year immediately preceding the school year in which a scholarship is first awarded.

Subd. 3. **Eligible provider.** "Eligible provider" means an organization or individual approved by the commissioner to provide special education services to a student under section 125A.855, subdivision 3.

Subd. 4. **Parent.** "Parent" means the parent or guardian of an eligible student.

Sec. 14. **[125A.854] STUDENT APPLICATION PROCESS.**

Subdivision 1. **Initial application.** An eligible student may apply to the superintendent of the student's resident school district for a special education scholarship.

Subd. 2. **District official to schedule meeting.** Within 30 days after receiving a request for a scholarship application from an eligible student and the student's parent, the superintendent or other designated school official must schedule an individualized education program team meeting for that student. The meeting must occur within 60 days after the school official receives the student's request for a scholarship application.

Subd. 3. **Meeting.** At the meeting, the individualized education program team and the student's parent must discuss the services provided by the serving school district and the anticipated changes in service if the parent selects an eligible provider. After the meeting, the parent may apply for a special education scholarship.

Subd. 4. **Scholarship application.** The parent must include with the scholarship application a signed document showing that an eligible provider approved by the commissioner has agreed to provide the student with the special education services identified in the student's individualized education program if the child is awarded a special education scholarship.

Subd. 5. **Scholarship awarded.** Within 30 days after receiving a scholarship application, the superintendent or other designated school official must award the special education scholarship to the parent of the eligible student if the document under subdivision 4 is available and all other conditions are met.

Sec. 15. **[125A.855] DUTIES OF THE COMMISSIONER OF EDUCATION.**

Subdivision 1. **Uniform procedures.** The commissioner must establish the form and manner for a parent to request and apply for the special education scholarship.

Subd. 2. **Amount of scholarship.** The commissioner shall calculate the average rate of salary reimbursement under section 125A.76 for each category of essential personnel for the previous year and establish these rates as the scholarship reimbursement amounts for eligible providers.

Subd. 3. **Approved providers.** (a) An organization or individual may apply to the department for approval as an eligible provider of special education scholarship services in the form and manner specified by the commissioner. The department may review an applicant's fitness to provide special education services including the applicant's:

- (1) past experience providing special education services;
- (2) ability to provide services of the same quality as those provided by current service providers; and
- (3) educational credentials.

The provider must meet the licensing criteria for essential personnel performing the same services under section 125A.76, subdivision 1. However, a previously licensed employee without a current license may apply for a limited-term license in order to become an approved provider. If the previously licensed employee is a teacher, the Board of Teaching, after completing a background check under section 123B.03, must grant the employee a limited-term license to provide scholarship services under this act. The commissioner must approve a license for a previously licensed provider in an essential personnel category and must award a limited-term license to the otherwise qualified nonlicensed provider. The commissioner may establish standards for nonlicensed providers that are comparable to the standards for school district employees who are defined as essential personnel.

(b) The Board of Teaching and the commissioner each shall maintain and periodically update an electronic publicly available list of approved providers.

(c) An applicant that has not been approved under paragraph (a) may appeal that decision as a contested case under chapter 14.

Subd. 4. **Payment of scholarships.** The commissioner shall include scholarship payment amounts in the payments to school districts under section 125A.76.

Sec. 16. [125A.856] DUTIES OF THE RESIDENT SCHOOL DISTRICT.

Subdivision 1. **List of eligible providers.** Upon request, the resident school district must provide each requesting parent a list of approved eligible providers, beginning with eligible providers located in proximity to the district.

Subd. 2. **Annual reapproval.** Each year after the first year a scholarship is awarded, the resident district must convene a meeting of the student's individualized education program team to review the student's progress and revise the student's individualized education program.

Subd. 3. **Payment of scholarships.** The school district shall make monthly payments to each eligible provider of special education services to pupils resident to that district upon verification of the hours of service in a form and manner determined by the commissioner.

Subd. 4. **Report to department.** Each school district must report its contracts and payments to eligible providers to the Department of Education.

Sec. 17. [125A.857] WAIVER OF RESPONSIBILITY.

The parent of a student who accepts a special education scholarship is responsible for meeting the special education needs of that student during the scholarship term. The resident school district that awards a student a scholarship and any other Minnesota school district or charter school is not required to provide special education services to that student during the scholarship term."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Gruenhagen amendment and the roll was called. There were 58 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gruenhagen	Kiel	O'Driscoll	Swedzinski
Albright	Dean, M.	Gunther	Kresha	O'Neill	Theis
Anderson, M.	Dettmer	Hackbarth	Leidiger	Peppin	Torkelson
Anderson, P.	Drazkowski	Hertaus	Lohmer	Petersburg	Uglem
Anderson, S.	Erickson, S.	Holberg	Loon	Pugh	Wills
Barrett	Fabian	Hoppe	Mack	Quam	Woodard
Beard	FitzSimmons	Howe	McDonald	Runbeck	Zellers
Benson, M.	Franson	Johnson, B.	Myhra	Sanders	Zerwas
Cornish	Garofalo	Kelly	Newberger	Schomacker	
Daudt	Green	Kieffer	Nornes	Scott	

Those who voted in the negative were:

Allen	Erhardt	Hortman	Mariani	Newton	Slocum
Anzelc	Erickson, R.	Huntley	Marquart	Norton	Sundin
Atkins	Falk	Isaacson	Masin	Paymar	Urdahl
Benson, J.	Faust	Johnson, C.	McNamar	Pelowski	Wagenius
Bernardy	Fischer	Johnson, S.	McNamara	Persell	Ward, J.A.
Bly	Freiberg	Kahn	Melin	Poppe	Ward, J.E.
Brynaert	Fritz	Laine	Metsa	Radinovich	Winkler
Carlson	Halverson	Lenczewski	Moran	Rosenthal	Yarusso
Clark	Hamilton	Liebling	Morgan	Savick	Spk. Thissen
Davnie	Hansen	Lien	Mullery	Sawatzky	
Dehn, R.	Hausman	Lillie	Murphy, E.	Schoen	
Dill	Hilstrom	Loeffler	Murphy, M.	Selcer	
Dorholt	Hornstein	Mahoney	Nelson	Simonson	

The motion did not prevail and the amendment was not adopted.

Kiel moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 201, after line 15, insert:

"Sec. 8. Minnesota Statutes 2012, section 123B.57, subdivision 6, is amended to read:

Subd. 6. **Uses of health and safety revenue.** (a) Health and safety revenue may be used only for approved expenditures necessary for the correction of fire and life safety hazards; design, purchase, installation, maintenance, and inspection of fire protection and alarm equipment; purchase or construction of appropriate facilities for the storage of combustible and flammable materials; inventories and facility modifications not related to a remodeling

project to comply with lab safety requirements under section 121A.31; inspection, testing, repair, removal or encapsulation, and disposal of asbestos-containing building materials; cleanup and disposal of polychlorinated biphenyls; cleanup and disposal of hazardous and infectious wastes; cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01; correction of occupational safety and health administration regulated hazards; indoor air quality inspections, investigations, and testing; mold abatement; upgrades or replacement of mechanical ventilation systems to meet American Society of Heating, Refrigerating and Air Conditioning Engineers standards and State Mechanical Code; design, materials, and installation of local exhaust ventilation systems, including required make-up air for controlling regulated hazardous substances; correction of Department of Health Food Code violations; correction of swimming pool hazards excluding depth correction; playground safety inspections, repair of unsafe outdoor playground equipment, and the installation of impact surfacing materials; bleacher repair or rebuilding to comply with the order of a building code inspector under section 326B.112; testing and mitigation of elevated radon hazards; lead testing; copper in water testing; cleanup after major weather-related disasters or flooding; reduction of excessive organic and inorganic levels in wells and capping of abandoned wells; installation and testing of boiler backflow valves to prevent contamination of potable water; vaccinations, titers, and preventative supplies for bloodborne pathogen compliance; costs to comply with the Janet B. Johnson Parents' Right to Know Act; automated external defibrillators and other emergency plan equipment and supplies specific to the district's emergency action plan; compliance with the National Emission Standards for Hazardous Air Pollutants for school generators established by the United States Environmental Protection Agency; and health, safety, and environmental management costs associated with implementing the district's health and safety program including costs to establish and operate safety committees, in school buildings or property owned or being acquired by the district. Testing and calibration activities are permitted for existing mechanical ventilation systems at intervals no less than every five years.

(b) For fiscal years 2014 through 2017, a school district must not include expenses related to emission compliance projects for school generators in its health and safety revenue unless it reduces its approved spending on other qualified health and safety projects by the same amount.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Quam moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 172, line 36, after the period, insert "Unless restricted by federal or state data practices law or by the terms of a collective bargaining agreement, the responsible authority for a school district must disseminate to another school district private personnel data on a current or former teacher employee or contractor of the district, including the results of background investigations, if the requesting school district seeks the information because the subject of the data has applied for employment with the requesting school district."

Page 174, line 2, after the period, insert "Unless restricted by federal or state data practices law or by the terms of a collective bargaining agreement, the responsible authority for a school district must disseminate to another school district private personnel data on a current or former teacher employee or contractor of the district, including the results of background investigations, if the requesting school district seeks the information because the subject of the data has applied for employment with the requesting school district."

The motion prevailed and the amendment was adopted.

Dean, M., moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 386, after line 30, insert:

"Section 1. Minnesota Statutes 2012, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to reimburse the health care access fund for all transfers and appropriations from that fund to the general fund for fiscal years 2014 and 2015, for costs related to the expansion of medical assistance eligibility for adults without children and for children;

~~(4)~~ (5) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount; and

~~(5)~~ (6) to the state airports fund, the amount necessary to restore the amount transferred from the state airports fund under Laws 2008, chapter 363, article 11, section 3, subdivision 5.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and ~~(4)~~ (5), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

EFFECTIVE DATE. This section is effective July 1, 2015."

Page 400, delete section 6

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Daudt and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Dettmer	Hausman	Lillie	Newton	Simonson
Albright	Dill	Hertaus	Loeffler	Nornes	Slocum
Allen	Dorholt	Hilstrom	Lohmer	Norton	Sundin
Anderson, M.	Drazkowski	Holberg	Loon	O'Driscoll	Swedzinski
Anderson, P.	Erhardt	Hoppe	Mack	O'Neill	Theis
Anderson, S.	Erickson, R.	Hornstein	Mahoney	Paymar	Torkelson
Atkins	Erickson, S.	Howe	Mariani	Pelowski	Uglen
Barrett	Fabian	Huntley	Marquart	Peppin	Urdahl
Beard	Falk	Isaacson	Masin	Persell	Wagenius
Benson, J.	Faust	Johnson, B.	McDonald	Petersburg	Ward, J.A.
Benson, M.	Fischer	Johnson, C.	McNamar	Poppe	Ward, J.E.
Bernardy	Franson	Johnson, S.	McNamara	Pugh	Wills
Bly	Freiberg	Kahn	Melin	Quam	Winkler
Brynaert	Fritz	Kelly	Metsa	Radinovich	Woodard
Carlson	Garofalo	Kieffer	Moran	Rosenthal	Yarusso
Clark	Green	Kiel	Morgan	Runbeck	Zellers
Cornish	Gruenhagen	Kresha	Mullery	Sanders	Zerwas
Daudt	Gunther	Laine	Murphy, E.	Sawatzky	Spk. Thissen
Davids	Hackbarth	Leidiger	Murphy, M.	Schoen	
Davnie	Halverson	Lenczewski	Myhra	Schomacker	
Dean, M.	Hamilton	Liebling	Nelson	Scott	
Dehn, R.	Hansen	Lien	Newberger	Selcer	

Murphy, E., moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Dean, M., amendment and the roll was called.

Murphy, E., moved that those not voting be excused from voting. The motion prevailed.

There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gunther	Kiel	Nornes	Scott
Albright	Dean, M.	Hackbarth	Kresha	O'Driscoll	Swedzinski
Anderson, M.	Dettmer	Hamilton	Leidiger	O'Neill	Theis
Anderson, P.	Drazkowski	Hertaus	Lohmer	Peppin	Torkelson
Anderson, S.	Erickson, S.	Holberg	Loon	Petersburg	Uglen
Barrett	Fabian	Hoppe	Mack	Pugh	Urdahl
Beard	Franson	Howe	McDonald	Quam	Wills
Benson, M.	Garofalo	Johnson, B.	McNamara	Runbeck	Woodard
Cornish	Green	Kelly	Myhra	Sanders	Zellers
Daudt	Gruenhagen	Kieffer	Newberger	Schomacker	Zerwas

Those who voted in the negative were:

Allen	Bernardy	Carlson	Dehn, R.	Erhardt	Faust
Atkins	Bly	Clark	Dill	Erickson, R.	Fischer
Benson, J.	Brynaert	Davnie	Dorholt	Falk	Freiberg

Fritz	Johnson, C.	Mahoney	Mullery	Poppe	Sundin
Halverson	Johnson, S.	Mariani	Murphy, E.	Radinovich	Wagenius
Hansen	Kahn	Marquart	Murphy, M.	Rosenthal	Ward, J.A.
Hausman	Laine	Masin	Nelson	Savick	Ward, J.E.
Hilstrom	Lenczewski	McNamar	Newton	Sawatzky	Winkler
Hornstein	Liebling	Melin	Norton	Schoen	Yarusso
Hortman	Lien	Metsa	Paymar	Selcer	Spk. Thissen
Huntley	Lillie	Moran	Pelowski	Simonson	
Isaacson	Loeffler	Morgan	Persell	Slocum	

The motion did not prevail and the amendment was not adopted.

FitzSimmons was excused for the remainder of today's session.

Dean, M., offered an amendment to H. F. No. 3172, the first engrossment, as amended.

POINT OF ORDER

Loeffler raised a point of order pursuant to rule 3.21 that the Dean, M., amendment was not in order. The Speaker ruled the point of order well taken and the Dean, M., amendment out of order.

Sanders appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called.

Murphy, E., moved that those not voting be excused from voting. The motion did not prevail.

There were 71 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Allen	Dorholt	Hornstein	Loeffler	Murphy, M.	Schoen
Anzelc	Erhardt	Hortman	Mahoney	Nelson	Selcer
Atkins	Erickson, R.	Huntley	Mariani	Newton	Simonson
Benson, J.	Falk	Isaacson	Marquart	Norton	Slocum
Bernardy	Faust	Johnson, C.	Masin	Paymar	Sundin
Bly	Fischer	Johnson, S.	McNamar	Pelowski	Wagenius
Brynaert	Freiberg	Kahn	Melin	Persell	Ward, J.A.
Carlson	Fritz	Laine	Metsa	Poppe	Ward, J.E.
Clark	Halverson	Lenczewski	Moran	Radinovich	Winkler
Davnie	Hansen	Liebling	Morgan	Rosenthal	Yarusso
Dehn, R.	Hausman	Lien	Mullery	Savick	Spk. Thissen
Dill	Hilstrom	Lillie	Murphy, E.	Sawatzky	

Those who voted in the negative were:

Abeler	Davids	Gunther	Kiel	Nornes	Scott
Albright	Dean, M.	Hackbarth	Kresha	O'Driscoll	Swedzinski
Anderson, M.	Dettmer	Hamilton	Leidiger	O'Neill	Theis
Anderson, P.	Drazkowski	Hertaus	Lohmer	Peppin	Torkelson
Anderson, S.	Erickson, S.	Holberg	Loon	Petersburg	Uglen
Barrett	Fabian	Hoppe	Mack	Pugh	Urdahl
Beard	Franson	Howe	McDonald	Quam	Wills
Benson, M.	Garofalo	Johnson, B.	McNamara	Runbeck	Woodard
Cornish	Green	Kelly	Myhra	Sanders	Zellers
Daudt	Gruenhagen	Kieffer	Newberger	Schomacker	Zerwas

So it was the judgment of the House that the decision of the Speaker should stand.

CALL OF THE HOUSE LIFTED

Murphy, E., moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Mack offered an amendment to H. F. No. 3172, the first engrossment, as amended.

POINT OF ORDER

Loeffler raised a point of order pursuant to rule 3.21 that the Mack amendment was not in order. The Speaker ruled the point of order well taken and the Mack amendment out of order.

Sanders appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 71 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Allen	Dorholt	Hornstein	Loeffler	Murphy, M.	Schoen
Anzelc	Erhardt	Hortman	Mahoney	Nelson	Selcer
Atkins	Erickson, R.	Huntley	Mariani	Newton	Simonson
Benson, J.	Falk	Isaacson	Marquart	Norton	Slocum
Bernardy	Faust	Johnson, C.	Masin	Paymar	Sundin
Bly	Fischer	Johnson, S.	McNamar	Pelowski	Wagenius
Brynaert	Freiberg	Kahn	Melin	Persell	Ward, J.A.
Carlson	Fritz	Laine	Metsa	Poppe	Ward, J.E.
Clark	Halverson	Lenczewski	Moran	Radinovich	Winkler
Davnie	Hansen	Liebling	Morgan	Rosenthal	Yarusso
Dehn, R.	Hausman	Lien	Mullery	Savick	Spk. Thissen
Dill	Hilstrom	Lillie	Murphy, E.	Sawatzky	

Those who voted in the negative were:

Abeler	Davids	Gunther	Kiel	Nornes	Scott
Albright	Dean, M.	Hackbarth	Kresha	O'Driscoll	Swedzinski
Anderson, M.	Dettmer	Hamilton	Leidiger	O'Neill	Theis
Anderson, P.	Drazkowski	Hertaus	Lohmer	Peppin	Torkelson
Anderson, S.	Erickson, S.	Holberg	Loon	Petersburg	Uglen
Barrett	Fabian	Hoppe	Mack	Pugh	Urdahl
Beard	Franson	Howe	McDonald	Quam	Wills
Benson, M.	Garofalo	Johnson, B.	McNamara	Runbeck	Woodard
Cornish	Green	Kelly	Myhra	Sanders	Zellers
Daudt	Gruenhagen	Kieffer	Newberger	Schomacker	Zerwas

So it was the judgment of the House that the decision of the Speaker should stand.

Zerwas offered an amendment to H. F. No. 3172, the first engrossment, as amended.

POINT OF ORDER

Loeffler raised a point of order pursuant to rule 3.21 that the Zerwas amendment was not in order. The Speaker ruled the point of order well taken and the Zerwas amendment out of order.

Sanders appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 72 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Allen	Dorholt	Hornstein	Loeffler	Murphy, M.	Schoen
Anzelc	Erhardt	Hortman	Mahoney	Nelson	Selcer
Atkins	Erickson, R.	Huntley	Mariani	Newton	Simonson
Benson, J.	Falk	Isaacson	Marquart	Norton	Slocum
Bernardy	Faust	Johnson, C.	Masin	Paymar	Sundin
Bly	Fischer	Johnson, S.	McNamar	Pelowski	Uglen
Brynaert	Freiberg	Kahn	Melin	Persell	Wagenius
Carlson	Fritz	Laine	Metsa	Poppe	Ward, J.A.
Clark	Halverson	Lenczewski	Moran	Radinovich	Ward, J.E.
Davnie	Hansen	Liebling	Morgan	Rosenthal	Winkler
Dehn, R.	Hausman	Lien	Mullery	Savick	Yarusso
Dill	Hilstrom	Lillie	Murphy, E.	Sawatzky	Spk. Thissen

Those who voted in the negative were:

Abeler	Anderson, P.	Beard	Daudt	Dettmer	Fabian
Albright	Anderson, S.	Benson, M.	Davids	Drazkowski	Franson
Anderson, M.	Barrett	Cornish	Dean, M.	Erickson, S.	Garofalo

Green	Hoppe	Leidiger	Newberger	Quam	Torkelson
Gruenhagen	Howe	Lohmer	Nornes	Runbeck	Urdahl
Gunther	Johnson, B.	Loon	O'Driscoll	Sanders	Wills
Hackbarth	Kelly	Mack	O'Neill	Schomacker	Woodard
Hamilton	Kieffer	McDonald	Peppin	Scott	Zellers
Hertaus	Kiel	McNamara	Petersburg	Swedzinski	Zerwas
Holberg	Kresha	Myhra	Pugh	Theis	

So it was the judgment of the House that the decision of the Speaker should stand.

Dauids offered an amendment to H. F. No. 3172, the first engrossment, as amended.

POINT OF ORDER

Loeffler raised a point of order pursuant to rule 3.21 that the Davids amendment was not in order. The Speaker ruled the point of order well taken and the Davids amendment out of order.

Sanders appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 72 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Allen	Dorholt	Hornstein	Lillie	Murphy, E.	Sawatzky
Anzelc	Erhardt	Hortman	Loeffler	Murphy, M.	Schoen
Atkins	Erickson, R.	Huntley	Mahoney	Nelson	Selcer
Benson, J.	Falk	Isaacson	Mariani	Newton	Simonson
Bernardy	Faust	Johnson, C.	Marquart	Norton	Slocum
Bly	Fischer	Johnson, S.	Masin	Paymar	Sundin
Brynaert	Freiberg	Kahn	McNamar	Pelowski	Wagenius
Carlson	Fritz	Laine	Melin	Persell	Ward, J.A.
Clark	Halverson	Leidiger	Metsa	Poppe	Ward, J.E.
Davnie	Hansen	Lenczewski	Moran	Radinovich	Winkler
Dehn, R.	Hausman	Liebling	Morgan	Rosenthal	Yarusso
Dill	Hilstrom	Lien	Mullery	Savick	Spk. Thissen

Those who voted in the negative were:

Abeler	Benson, M.	Erickson, S.	Hackbarth	Kelly	McDonald
Albright	Cornish	Fabian	Hamilton	Kieffer	McNamara
Anderson, M.	Daudt	Franson	Hertaus	Kiel	Myhra
Anderson, P.	Dauids	Garofalo	Holberg	Kresha	Newberger
Anderson, S.	Dean, M.	Green	Hoppe	Lohmer	Nornes
Barrett	Dettmer	Gruenhagen	Howe	Loon	O'Driscoll
Beard	Drazkowski	Gunther	Johnson, B.	Mack	O'Neill

Peppin	Quam	Schomacker	Theis	Urdahl	Zellers
Petersburg	Runbeck	Scott	Torkelson	Wills	Zerwas
Pugh	Sanders	Swedzinski	Uglen	Woodard	

So it was the judgment of the House that the decision of the Speaker should stand.

Fritz moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 267, after line 29, insert:

"Sec. 36. **PROHIBITION ON USE OF FUNDS.**

Subdivision 1. Use of funds. Funding for state-sponsored health programs shall not be used for funding abortions, except to the extent necessary for continued participation in a federal program. For purposes of this section, abortion has the meaning given in Minnesota Statutes, section 144.343, subdivision 3.

Subd. 2. Severability. If any one or more provision, section, subdivision, sentence, clause, phrase, or word of this section or the application of it to any person or circumstance is found to be unconstitutional, it is declared to be severable and the balance of this section shall remain effective notwithstanding such unconstitutionality. The legislature intends that it would have passed this section, and each provision, section, subdivision, sentence, clause, phrase, or word irrespective of the fact that any one provision, section, subdivision, sentence, clause, phrase, or word is declared unconstitutional."

Page 267, line 30, delete "36" and insert "37"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Daudt and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Benson, M.	Dehn, R.	Fischer	Hansen	Johnson, B.
Albright	Bernardy	Dettmer	Franson	Hausman	Johnson, C.
Allen	Bly	Dill	Freiberg	Hertaus	Johnson, S.
Anderson, M.	Brynaert	Dorholt	Fritz	Hilstrom	Kahn
Anderson, P.	Carlson	Drazkowski	Garofalo	Holberg	Kelly
Anderson, S.	Clark	Erhardt	Green	Hoppe	Kieffer
Anzelc	Cornish	Erickson, R.	Gruenhagen	Hornstein	Kiel
Atkins	Daudt	Erickson, S.	Gunther	Hortman	Kresha
Barrett	Davids	Fabian	Hackbarth	Howe	Laine
Beard	Davnie	Falk	Halverson	Huntley	Leidiger
Benson, J.	Dean, M.	Faust	Hamilton	Isaacson	Lenczewski

Liebling	McDonald	Nelson	Petersburg	Schomacker	Wagenius
Lien	McNamar	Newberger	Poppe	Scott	Ward, J.A.
Lillie	McNamara	Newton	Pugh	Selcer	Ward, J.E.
Loeffler	Melin	Nornes	Quam	Simonson	Wills
Lohmer	Metsa	Norton	Radinovich	Slocum	Winkler
Loon	Moran	O'Driscoll	Rosenthal	Sundin	Woodard
Mack	Morgan	O'Neill	Runbeck	Swedzinski	Yarusso
Mahoney	Mullery	Paymar	Sanders	Theis	Zellers
Mariani	Murphy, E.	Pelowski	Savick	Torkelson	Zerwas
Marquart	Murphy, M.	Peppin	Sawatzky	Uglem	Spk. Thissen
Masin	Myhra	Persell	Schoen	Urdahl	

All members answered to the call and it was so ordered.

The question recurred on the Fritz amendment and the roll was called.

Murphy, E., moved that those not voting be excused from voting. The motion prevailed.

There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hackbarth	Lenczewski	O'Driscoll	Theis
Albright	Dill	Hamilton	Lohmer	O'Neill	Torkelson
Anderson, M.	Drazkowski	Hertaus	Loon	Pelowski	Uglem
Anderson, P.	Erickson, S.	Holberg	Mack	Peppin	Urdahl
Anderson, S.	Fabian	Hoppe	Marquart	Petersburg	Ward, J.E.
Barrett	Faust	Howe	McDonald	Pugh	Wills
Beard	Franson	Johnson, B.	McNamar	Quam	Woodard
Benson, M.	Fritz	Kelly	McNamara	Runbeck	Zellers
Cornish	Garofalo	Kieffer	Murphy, M.	Sawatzky	Zerwas
Daudt	Green	Kiel	Myhra	Schomacker	
Davids	Gruenhagen	Kresha	Newberger	Scott	
Dean, M.	Gunther	Leidiger	Nornes	Swedzinski	

Those who voted in the negative were:

Allen	Dorholt	Hortman	Mahoney	Norton	Sundin
Anzelc	Erhardt	Huntley	Mariani	Paymar	Wagenius
Atkins	Erickson, R.	Isaacson	Masin	Persell	Ward, J.A.
Benson, J.	Falk	Johnson, C.	Melin	Poppe	Winkler
Bernardy	Fischer	Johnson, S.	Metsa	Radinovich	Yarusso
Bly	Freiberg	Kahn	Moran	Rosenthal	Spk. Thissen
Brynaert	Halverson	Laine	Morgan	Savick	
Carlson	Hansen	Liebling	Mullery	Schoen	
Clark	Hausman	Lien	Murphy, E.	Selcer	
Davnie	Hilstrom	Lillie	Nelson	Simonson	
Dehn, R.	Hornstein	Loeffler	Newton	Slocum	

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE LIFTED

Daudt moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Garofalo was excused for the remainder of today's session.

Holberg moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 386, after line 28, insert:

"ARTICLE 30
UNBORN CHILD PROTECTION

Section 1. **SHORT TITLE.**

This article may be cited as the "Pain-Capable Unborn Child Protection Act."

Sec. 2. **[8.40] LITIGATION DEFENSE FUND.**

(a) There is created in the special revenue fund an account entitled the Pain-Capable Unborn Child Protection Act litigation account for the purpose of providing funds to pay for any costs and expenses incurred by the state attorney general in relation to actions surrounding defense of sections 145.4141 to 145.4147.

(b) The account shall be maintained by the commissioner of management and budget.

(c) The litigation account shall consist of:

(1) appropriations made to the account by the legislature; and

(2) any donations, gifts, or grants made to the account by private citizens or entities.

(d) The litigation account shall retain the interest income derived from the money credited to the account.

(e) Any funds in the litigation account are appropriated to the attorney general for the purposes described in paragraph (a).

Sec. 3. Minnesota Statutes 2012, section 145.4131, subdivision 1, is amended to read:

Subdivision 1. **Forms.** (a) Within 90 days of July 1, 1998, the commissioner shall prepare a reporting form for use by physicians or facilities performing abortions. A copy of this section shall be attached to the form. A physician or facility performing an abortion shall obtain a form from the commissioner.

(b) The form shall require the following information:

(1) the number of abortions performed by the physician in the previous calendar year, reported by month;

(2) the method used for each abortion;

(3) the approximate gestational age expressed in one of the following increments:

(i) less than nine weeks;

(ii) nine to ten weeks;

- (iii) 11 to 12 weeks;
 - (iv) 13 to 15 weeks;
 - (v) 16 to 20 weeks;
 - (vi) 21 to 24 weeks;
 - (vii) 25 to 30 weeks;
 - (viii) 31 to 36 weeks; or
 - (ix) 37 weeks to term;
- (4) the age of the woman at the time the abortion was performed;
- (5) the specific reason for the abortion, including, but not limited to, the following:
- (i) the pregnancy was a result of rape;
 - (ii) the pregnancy was a result of incest;
 - (iii) economic reasons;
 - (iv) the woman does not want children at this time;
 - (v) the woman's emotional health is at stake;
 - (vi) the woman's physical health is at stake;
 - (vii) the woman will suffer substantial and irreversible impairment of a major bodily function if the pregnancy continues;
 - (viii) the pregnancy resulted in fetal anomalies; or
 - (ix) unknown or the woman refused to answer;
- (6) the number of prior induced abortions;
- (7) the number of prior spontaneous abortions;
- (8) whether the abortion was paid for by:
- (i) private coverage;
 - (ii) public assistance health coverage; or
 - (iii) self-pay;
- (9) whether coverage was under:

(i) a fee-for-service plan;

(ii) a capitated private plan; or

(iii) other;

(10) complications, if any, for each abortion and for the aftermath of each abortion. Space for a description of any complications shall be available on the form; ~~and~~

(11) the medical specialty of the physician performing the abortion;

(12) whether a determination of probable postfertilization age was made and the probable postfertilization age determined:

(i) the method used to make such a determination; or

(ii) if a determination was not made prior to performing an abortion, the basis of the determination that a medical emergency existed; and

(13) for abortions performed after a determination of postfertilization age of 20 or more weeks, the basis of the determination that the pregnant woman had a condition that so complicated her medical condition as to necessitate the abortion of her pregnancy to avert her death or to avert serious risk of substantial and irreversible physical impairment of a major bodily function, not including psychological or emotional conditions.

Sec. 4. **[145.4141] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of sections 145.4141 to 145.4147, the following terms have the meanings given them.

Subd. 2. **Abortion.** "Abortion" means the use or prescription of any instrument, medicine, drug, or any other substance or device to terminate the pregnancy of a woman known to be pregnant, with an intention other than to increase the probability of a live birth; to preserve the life or health of the child after live birth; or to remove a dead unborn child who died as the result of natural causes in utero, accidental trauma, or a criminal assault on the pregnant woman or her unborn child; and which causes the premature termination of the pregnancy.

Subd. 3. **Attempt to perform or induce an abortion.** "Attempt to perform or induce an abortion" means an act, or an omission of a statutorily required act, that, under the circumstances as the actor believes them to be, constitutes a substantial step in a course of conduct planned to culminate in the performance or induction of an abortion in this state in violation of sections 145.4141 to 145.4147.

Subd. 4. **Fertilization.** "Fertilization" means the fusion of a human spermatozoon with a human ovum.

Subd. 5. **Medical emergency.** "Medical emergency" means a condition that, in reasonable medical judgment, so complicates the medical condition of the pregnant woman that it necessitates the immediate abortion of her pregnancy without first determining postfertilization age to avert her death or for which the delay necessary to determine postfertilization age will create serious risk of substantial and irreversible physical impairment of a major bodily function, not including psychological or emotional conditions. No condition shall be deemed a medical emergency if based on a claim or diagnosis that the woman will engage in conduct which she intends to result in her death or in substantial and irreversible physical impairment of a major bodily function.

Subd. 6. **Physician.** "Physician" means any person licensed to practice medicine and surgery or osteopathic medicine and surgery in this state.

Subd. 7. **Postfertilization age.** "Postfertilization age" means the age of the unborn child as calculated from the fusion of a human spermatozoon with a human ovum.

Subd. 8. **Probable postfertilization age of the unborn child.** "Probable postfertilization age of the unborn child" means what, in reasonable medical judgment, will with reasonable probability be the postfertilization age of the unborn child at the time the abortion is planned to be performed or induced.

Subd. 9. **Reasonable medical judgment.** "Reasonable medical judgment" means a medical judgment that would be made by a reasonably prudent physician knowledgeable about the case and the treatment possibilities with respect to the medical conditions involved.

Subd. 10. **Unborn child or fetus.** "Unborn child" or "fetus" means an individual organism of the species homo sapiens from fertilization until live birth.

Subd. 11. **Woman.** "Woman" means a female human being whether or not she has reached the age of majority.

Sec. 5. **[145.4142] LEGISLATIVE FINDINGS.**

(a) The legislature makes the following findings.

(b) Pain receptors (nociceptors) are present throughout an unborn child's entire body and nerves link these receptors to the brain's thalamus and subcortical plate by 20 weeks.

(c) By eight weeks after fertilization, an unborn child reacts to touch. After 20 weeks an unborn child reacts to stimuli that would be recognized as painful if applied to an adult human, for example by recoiling.

(d) In the unborn child, application of such painful stimuli is associated with significant increases in stress hormones known as the stress response.

(e) Subjection to such painful stimuli is associated with long-term harmful neurodevelopmental effects, such as altered pain sensitivity and, possibly, emotional, behavioral, and learning disabilities later in life.

(f) For the purposes of surgery on an unborn child, fetal anesthesia is routinely administered and is associated with a decrease in stress hormones compared to the level when painful stimuli is applied without anesthesia.

(g) The position, asserted by some medical experts, that an unborn child is incapable of experiencing pain until a point later in pregnancy than 20 weeks after fertilization predominately rests on the assumption that the ability to experience pain depends on the cerebral cortex and requires nerve connections between the thalamus and the cortex. However, recent medical research and analysis, especially since 2007, provides strong evidence for the conclusion that a functioning cortex is not necessary to experience pain.

(h) Substantial evidence indicates that children born missing the bulk of the cerebral cortex, those with hydranencephaly, nevertheless experience pain.

(i) In adults, stimulation or ablation of the cerebral cortex does not alter pain perception, while stimulation or ablation of the thalamus does.

(j) Substantial evidence indicates that structures used for pain processing in early development differ from those of adults, using different neural elements available at specific times during development, such as the subcortical plate, to fulfill the role of pain processing.

(k) The position asserted by some medical experts, that the unborn child remains in a coma-like sleep state that precludes the unborn child experiencing pain is inconsistent with the documented reaction of unborn children to painful stimuli and with the experience of fetal surgeons who have found it necessary to sedate the unborn child with anesthesia to prevent the unborn child from thrashing about in reaction to invasive surgery.

(l) Consequently, there is substantial medical evidence that an unborn child is capable of experiencing pain by 20 weeks after fertilization.

(m) It is the purpose of the state to assert a compelling state interest in protecting the lives of unborn children from the stage at which substantial medical evidence indicates that they are capable of feeling pain.

Sec. 6. **[145.4143] DETERMINATION OF POSTFERTILIZATION AGE.**

Subdivision 1. **Determination of postfertilization age.** Except in the case of a medical emergency, no abortion shall be performed or induced or be attempted to be performed or induced unless the physician performing or inducing it has first made a determination of the probable postfertilization age of the unborn child or relied upon such a determination made by another physician. In making such a determination, the physician shall make those inquiries of the woman and perform or cause to be performed those medical examinations and tests that a reasonably prudent physician, knowledgeable about the case and the medical conditions involved, would consider necessary to perform in making an accurate diagnosis with respect to postfertilization age.

Subd. 2. **Unprofessional conduct.** Failure by any physician to conform to any requirement of this section constitutes unprofessional conduct under section 147.091, subdivision 1, paragraph (k).

Sec. 7. **[145.4144] ABORTION OF UNBORN CHILD OF 20 OR MORE WEEKS POSTFERTILIZATION AGE PROHIBITED; CAPABLE OF FEELING PAIN.**

Subdivision 1. **Abortion prohibition; exemption.** No person shall perform or induce or attempt to perform or induce an abortion upon a woman when it has been determined, by the physician performing or inducing or attempting to perform or induce the abortion, or by another physician upon whose determination that physician relies, that the probable postfertilization age of the woman's unborn child is 20 or more weeks unless, in reasonable medical judgment, she has a condition which so complicates her medical condition as to necessitate the abortion of her pregnancy to avert her death or to avert serious risk of substantial and irreversible physical impairment of a major bodily function, not including psychological or emotional conditions. No such condition shall be deemed to exist if it is based on a claim or diagnosis that the woman will engage in conduct which she intends to result in her death or in substantial and irreversible physical impairment of a major bodily function.

Subd. 2. **When abortion not prohibited.** When an abortion upon a woman whose unborn child has been determined to have a probable postfertilization age of 20 or more weeks is not prohibited by this section, the physician shall terminate the pregnancy in the manner which, in reasonable medical judgment, provides the best opportunity for the unborn child to survive unless, in reasonable medical judgment, termination of the pregnancy in that manner would pose a greater risk either of the death of the pregnant woman or of the substantial and irreversible physical impairment of a major bodily function, not including psychological or emotional conditions, of the woman than would other available methods. No such greater risk shall be deemed to exist if it is based on a claim or diagnosis that the woman will engage in conduct which she intends to result in her death or in substantial and irreversible physical impairment of a major bodily function.

Sec. 8. **[145.4145] ENFORCEMENT.**

Subdivision 1. **Criminal penalties.** A person who intentionally or recklessly performs or induces or attempts to perform or induce an abortion in violation of sections 145.4141 to 145.4147 shall be guilty of a felony. No penalty may be assessed against the woman upon whom the abortion is performed or induced or attempted to be performed or induced.

Subd. 2. **Civil remedies.** (a) A woman upon whom an abortion has been performed or induced in violation of sections 145.4141 to 145.4147, or the father of the unborn child who was the subject of such an abortion, may maintain an action against the person who performed or induced the abortion in intentional or reckless violation of sections 145.4141 to 145.4147 for damages. A woman upon whom an abortion has been attempted in violation of sections 145.4141 to 145.4147 may maintain an action against the person who attempted to perform or induce the abortion in an intentional or reckless violation of sections 145.4141 to 145.4147 for damages.

(b) A cause of action for injunctive relief against a person who has intentionally violated sections 145.4141 to 145.4147 may be maintained by the woman upon whom an abortion was performed or induced or attempted to be performed or induced in violation of sections 145.4141 to 145.4147; by a person who is the father of the unborn child subject to an abortion, parent, sibling, or guardian of, or a current or former licensed health care provider of, the woman upon whom an abortion has been performed or induced or attempted to be performed or induced in violation of sections 145.4141 to 145.4147; by a county attorney with appropriate jurisdiction; or by the attorney general. The injunction shall prevent the abortion provider from performing or inducing or attempting to perform or induce further abortions in this state in violation of sections 145.4141 to 145.4147.

(c) If judgment is rendered in favor of the plaintiff in an action described in this section, the court shall also render judgment for reasonable attorney fees in favor of the plaintiff against the defendant.

(d) If judgment is rendered in favor of the defendant and the court finds that the plaintiff's suit was frivolous and brought in bad faith, the court shall also render judgment for reasonable attorney fees in favor of the defendant against the plaintiff.

(e) No damages or attorney fees may be assessed against the woman upon whom an abortion was performed or induced or attempted to be performed or induced except according to paragraph (d).

Sec. 9. **[145.4146] PROTECTION OF PRIVACY IN COURT PROCEEDINGS.**

In every civil or criminal proceeding or action brought under the Pain-Capable Unborn Child Protection Act, the court shall rule on whether the anonymity of a woman upon whom an abortion has been performed or induced or attempted to be performed or induced shall be preserved from public disclosure if she does not give her consent to such disclosure. The court, upon motion or sua sponte, shall make such a ruling and, upon determining that her anonymity should be preserved, shall issue orders to the parties, witnesses, and counsel and shall direct the sealing of the record and exclusion of individuals from courtrooms or hearing rooms to the extent necessary to safeguard her identity from public disclosure. Each such order shall be accompanied by specific written findings explaining why the anonymity of the woman should be preserved from public disclosure, why the order is essential to that end, how the order is narrowly tailored to serve that interest, and why no reasonable, less restrictive alternative exists. In the absence of written consent of the woman upon whom an abortion has been performed or induced or attempted to be performed or induced, anyone, other than a public official, who brings an action under section 145.4145, subdivision 2, shall do so under a pseudonym. This section may not be construed to conceal the identity of the plaintiff or of witnesses from the defendant or from attorneys for the defendant.

Sec. 10. **[145.4147] SEVERABILITY.**

If any one or more provisions, sections, subsections, sentences, clauses, phrases, or words of sections 145.4141 to 145.4146, or the application thereof to any person or circumstance is found to be unconstitutional, the same is hereby declared to be severable and the balance of sections 145.4141 to 145.4146 shall remain effective notwithstanding such unconstitutionality. The legislature hereby declares that it would have passed sections 145.4141 to 145.4146, and each provision, section, subsection, sentence, clause, phrase, or word thereof, irrespective of the fact that any one or more provisions, sections, subsections, sentences, clauses, phrases, or words of sections 145.4141 to 145.4146, or the application of sections 145.4141 to 145.4146, would be declared unconstitutional."

Renumber the articles and sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Holberg amendment and the roll was called. There were 70 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hamilton	Lohmer	O'Neill	Swedzinski
Albright	Dill	Hertaus	Loon	Pelowski	Theis
Anderson, M.	Drazkowski	Holberg	Mack	Peppin	Torkelson
Anderson, P.	Erickson, S.	Hoppe	Marquart	Petersburg	Uglem
Anderson, S.	Fabian	Howe	McDonald	Pugh	Urdahl
Barrett	Faust	Johnson, B.	McNamar	Quam	Ward, J.E.
Beard	Franson	Kelly	McNamara	Radinovich	Wills
Benson, M.	Fritz	Kieffer	Murphy, M.	Runbeck	Woodard
Cornish	Green	Kiel	Myhra	Sanders	Zellers
Daudt	Gruenhagen	Kresha	Newberger	Sawatzky	Zerwas
Davids	Gunther	Leidiger	Nornes	Schomacker	
Dean, M.	Hackbarth	Lenczewski	O'Driscoll	Scott	

Those who voted in the negative were:

Allen	Dehn, R.	Hilstrom	Lien	Mullery	Schoen
Anzelc	Dorholt	Hornstein	Lillie	Murphy, E.	Selcer
Atkins	Erhardt	Hortman	Loeffler	Nelson	Simonson
Benson, J.	Erickson, R.	Huntley	Mahoney	Newton	Slocum
Bernardy	Falk	Isaacson	Mariani	Norton	Sundin
Bly	Fischer	Johnson, C.	Masin	Paymar	Wagenius
Brynaert	Freiberg	Johnson, S.	Melin	Persell	Ward, J.A.
Carlson	Halverson	Kahn	Metsa	Poppe	Winkler
Clark	Hansen	Laine	Moran	Rosenthal	Yarusso
Davnie	Hausman	Liebling	Morgan	Savick	Spk. Thissen

The motion prevailed and the amendment was adopted.

Norton moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 261, after line 31, insert:

"Sec. 29. Minnesota Statutes 2013 Supplement, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services. Nonemergency medical transportation service includes, but is not limited to, special transportation service, defined in section 174.29, subdivision 1.

~~(a)~~ (b) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) ~~an ambulance~~ nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

~~(2) special transportation; or~~

(3) ~~common carrier including, but not limited to, bus, taxicab, other commercial carrier, or private automobile taxicabs and public transit, as defined in section 174.22, subdivision 7; or~~

(4) not-for-hire vehicles, including volunteer drivers.

~~(b)~~ (c) Medical assistance covers special transportation, as defined in Minnesota Rules, part 9505.0315, subpart 1, item F, if the recipient has a physical or mental impairment that would prohibit the recipient from safely accessing and using a bus, taxi, other commercial transportation, or private automobile. nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and in consultation with the Minnesota Department of Transportation. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(d) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(e) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes under paragraph (h), clauses (4), (5), (6), and (7).

(f) The commissioner may use an order by the recipient's attending physician or a medical or mental health professional to certify that the recipient requires ~~special transportation services~~ nonemergency medical transportation services. ~~Special Nonemergency medical~~ transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs or stretchers in the vehicle. ~~Special Nonemergency medical~~ transportation providers must ~~obtain written documentation from the health care service provider who is serving the recipient being transported, identifying the time that the recipient arrived.~~ Special ~~have~~ trip logs, which include pickup and drop-off times, signed by the medical provider or client attesting mileage traveled to obtain covered medical services, whichever is deemed most appropriate. Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. ~~Special Nonemergency medical~~ transportation providers must take ~~recipients~~ clients to the health care provider, using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the ~~recipient~~ client receives authorization from the local agency. The minimum medical assistance reimbursement rates for ~~special transportation~~ nonemergency medical services are:

(1)(i) \$17 for the base rate and \$1.35 per mile for ~~special transportation~~ nonemergency medical services to eligible persons who need a wheelchair-accessible van;

(ii) \$11.50 for the base rate and \$1.30 per mile for ~~special~~ nonemergency medical transportation services to eligible persons who do not need a wheelchair-accessible van; and

(iii) \$60 for the base rate and \$2.40 per mile, and an attendant rate of \$9 per trip, for ~~special~~ nonemergency medical transportation services to eligible persons who need a stretcher-accessible vehicle;

(2) clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(g) By July 1, 2015, the commissioner shall determine reimbursement for the modes under this paragraph and paragraphs (h) and (i), using existing rates in paragraph (f). The covered modes of nonemergency medical transportation include transportation provided directly by clients or family members of clients with their own transportation, volunteers using their own vehicles, taxicabs, and public transit, or provided to a client who needs a stretcher-accessible vehicle, a lift/ramp equipped vehicle, a vehicle that is not stretcher-accessible or lift/ramp equipped designed to transport seven or fewer persons, and a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver.

(h) The administrative agency shall use the level of service process established by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade. Clients can be found eligible for the most appropriate of the following modes:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation or family who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or publicly operated transit system is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(i) By July 1, 2015, local agencies shall administer and reimburse for modes within existing appropriations defined in paragraph (h), clauses (1) to (3). The commissioner shall administer and reimburse for modes within existing appropriations defined in paragraph (h), clauses (4) to (7). In accordance with subdivision 18e, by July 1, 2016, the local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (h), clauses (1), (2), (3), (4), (5), (6), and (7).

(j) The commissioner shall:

(1) in consultation with the Nonemergency Medical Transportation Advisory Committee, verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(k) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules parts 9505.2160 to 9505.2245.

(l) The base rates for ~~special nonemergency medical~~ transportation services in areas defined under RUCA to be super rural shall be equal to the reimbursement rate established in paragraph (f), clause (1), plus 11.3 percent; and

~~(3)~~ for ~~special nonemergency medical~~ transportation services in areas defined under RUCA to be rural or super rural areas:

(i) for a trip equal to 17 miles or less, mileage reimbursement shall be equal to 125 percent of the respective mileage rate in paragraph (f), clause (1); and

(ii) for a trip between 18 and 50 miles, mileage reimbursement shall be equal to 112.5 percent of the respective mileage rate in paragraph (f), clause (1).

~~(e)~~ (m) For purposes of reimbursement rates for ~~special~~ nonemergency medical transportation services under paragraph (b), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

~~(d)~~ (n) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

~~(e)~~ (o) Effective for services provided on or after September 1, 2011, nonemergency transportation rates, including ~~special~~ nonemergency medical transportation, taxi, and other commercial carriers, are reduced 4.5 percent. Payments made to managed care plans and county-based purchasing plans must be reduced for services provided on or after January 1, 2012, to reflect this reduction.

(p) Until July 1, 2016, people using assisted transportation will continue with their current administrative agency. For people newly assessed as needing assisted transportation, the local agency will continue to administer assisted transport when assistance requires door-to-door, and the commissioner will administer assisted transport when assistance requires door-through-door.

Sec. 30. Minnesota Statutes 2012, section 256B.0625, subdivision 18b, is amended to read:

Subd. 18b. **Broker dispatching prohibition.** The commissioner shall not use a broker or coordinator for any purpose related to nonemergency medical transportation services under subdivision 18.

Sec. 31. Minnesota Statutes 2012, section 256B.0625, subdivision 18c, is amended to read:

Subd. 18c. **Nonemergency Medical Transportation Advisory Committee.** (a) The Nonemergency Medical Transportation Advisory Committee shall advise the commissioner on the administration of nonemergency medical transportation covered under medical assistance. The advisory committee shall meet at least quarterly the first year following January 1, 2015, and at least biannually thereafter and may meet more frequently as required by the commissioner. The advisory committee shall annually elect a chair from among its members, who shall work with the commissioner or the commissioner's designee to establish the agenda for each meeting. The commissioner, or the commissioner's designee, shall attend all advisory committee meetings.

(b) The Nonemergency Medical Transportation Advisory Committee shall advise and make recommendations to the commissioner on:

~~(1) the development of, and periodic updates to, a the nonemergency medical transportation policy manual for nonemergency medical transportation services;~~

~~(2) policies and a funding source for reimbursing no-load miles;~~

~~(3) policies to prevent waste, fraud, and abuse, and to improve the efficiency of the nonemergency medical transportation system;~~

~~(4) other issues identified in the 2011 evaluation report by the Office of the Legislative Auditor on medical nonemergency transportation; and~~

~~(5)~~ (2) other aspects of the nonemergency medical transportation system, as requested by the commissioner; and

(3) other aspects of the nonemergency medical transportation system, as requested by:

(i) a committee member, who may request an item to be placed on the agenda for a future meeting. The request may be considered by the committee and voted upon. If the motion carries, the meeting agenda item may be developed for presentation to the committee; and

(ii) a member of the public, who may approach the committee by letter or e-mail requesting that an item be placed on a future meeting agenda. The request may be considered by the committee and voted upon. If the motion carries, the agenda item may be developed for presentation to the committee.

(c) The Nonemergency Medical Transportation Advisory Committee shall coordinate its activities with the Minnesota Council on Transportation Access established under section 174.285. The chair of the advisory committee, or the chair's designee, shall attend all meetings of the Minnesota Council on Transportation Access.

(d) The Nonemergency Medical Transportation Advisory Committee shall expire December 1, ~~2014~~ 2019.

Sec. 32. Minnesota Statutes 2012, section 256B.0625, subdivision 18d, is amended to read:

Subd. 18d. **Advisory committee members.** (a) The Nonemergency Medical Transportation Advisory Committee consists of:

(1) two voting members who represent counties, at least one of whom must represent a county or counties other than Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright four voting members who represent counties, utilizing the rural urban commuting area classification system. As defined in subdivision 17, these members shall be designated as follows:

(i) two counties within the 11-county metropolitan area;

(ii) one county representing the rural area of the state; and

(iii) one county representing the super rural area of the state.

The Association of Minnesota Counties shall appoint one county within the 11-county metropolitan area and one county representing the super rural area of the state. The Minnesota Inter-County Association shall appoint one county within the 11-county metropolitan area and one county representing the rural area of the state;

(2) ~~four~~ three voting members who represent medical assistance recipients, including persons with physical and developmental disabilities, persons with mental illness, seniors, children, and low-income individuals;

(3) four voting members who represent providers that deliver nonemergency medical transportation services to medical assistance enrollees;

(4) two voting members of the house of representatives, one from the majority party and one from the minority party, appointed by the speaker of the house, and two voting members from the senate, one from the majority party and one from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration;

(5) one voting member who represents demonstration providers as defined in section 256B.69, subdivision 2;

(6) one voting member who represents an organization that contracts with state or local governments to coordinate transportation services for medical assistance enrollees; ~~and~~

- (7) one voting member who represents the Minnesota State Council on Disability;
- (8) the commissioner of transportation or the commissioner's designee, who shall serve as a voting member;
- (9) one voting member appointed by the Minnesota Ambulance Association; and
- (10) one voting member appointed by the Minnesota Hospital Association.

(b) Members of the advisory committee shall not be employed by the Department of Human Services. Members of the advisory committee shall receive no compensation.

Sec. 33. Minnesota Statutes 2013 Supplement, section 256B.0625, subdivision 18e, is amended to read:

Subd. 18e. **Single administrative structure and delivery system.** ~~(a) The commissioner shall implement a single administrative structure and delivery system for nonemergency medical transportation, beginning the latter of the date the single administrative assessment tool required in this paragraph is available for use, as determined by the commissioner or by July 1, 2014 2016. The single administrative structure and delivery system must:~~

- ~~(1) eliminate the distinction between access transportation services and special transportation services;~~
- ~~(2) enable all medical assistance recipients to follow the same process to obtain nonemergency medical transportation, regardless of their level of need;~~
- ~~(3) provide a single oversight framework for all providers of nonemergency medical transportation; and~~
- ~~(4) provide flexibility in service delivery, recognizing that clients fall along a continuum of needs and resources.~~

~~(b) The commissioner shall present to the legislature, by January 15, 2014, legislation necessary to implement the single administrative structure and delivery system for nonemergency medical transportation.~~

~~(c) In developing the single administrative structure and delivery system and the draft legislation, the commissioner shall consult with the Nonemergency Medical Transportation Advisory Committee. In coordination with the Department of Transportation, the commissioner shall develop and authorize a Web-based single administrative structure and assessment tool, which must operate 24 hours a day, seven days a week, to facilitate the enrollee assessment process for nonemergency medical transportation services. The Web-based tool shall facilitate the transportation eligibility determination process initiated by clients and client advocates; shall include an accessible automated intake and assessment process and real-time identification of level of service eligibility; and shall authorize an appropriate and auditable mode of transportation authorization. The tool shall provide a single framework for reconciling trip information with claiming and collecting complaints regarding inappropriate level of need determinations, inappropriate transportation modes utilized, and interference with accessing nonemergency medical transportation. The Web-based single administrative structure shall operate on a trial basis for one year from implementation and, if approved by the commissioner, shall be permanent thereafter. The commissioner shall seek input from the Nonemergency Medical Transportation Advisory Committee to ensure the software is effective and user-friendly and make recommendations regarding funding of the single administrative system.~~

Sec. 34. Minnesota Statutes 2012, section 256B.0625, subdivision 18g, is amended to read:

Subd. 18g. **Use of standardized measures.** ~~The commissioner, in consultation with the Nonemergency Medical Transportation Advisory Committee, shall establish performance measures to assess the cost effectiveness and quality of nonemergency medical transportation. At a minimum, performance measures should include the number of unique participants served by type of transportation provider, number of trips provided by type of~~

~~transportation provider, and cost per trip by type of transportation provider. The commissioner must also consider the measures identified in the January 2012 Department of Human Services report to the legislature on nonemergency medical transportation.~~ Beginning in calendar year ~~2013~~ 2015, the commissioner shall collect, audit, and analyze performance data on nonemergency medical transportation annually and report this information on the agency's Web site. The commissioner shall periodically supplement this information with the results of consumer surveys of the quality of services, and shall make these survey findings available to the public on the agency Web site.

Sec. 35. Minnesota Statutes 2012, section 256B.0625, is amended by adding a subdivision to read:

Subd. 18h. **Managed care.** The following subdivisions do not apply to managed care plans and county-based purchasing plans:

(1) subdivision 17, paragraphs (d) to (k);

(2) subdivision 18e; and

(3) subdivision 18g."

Page 267, after line 29, insert:

"Sec. 36. **WAIVER APPLICATIONS FOR NONEMERGENCY MEDICAL TRANSPORTATION SERVICE PROVIDERS.**

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(1) "new provider" is a nonemergency medical transportation service provider that was not required to comply with special transportation service operating standards before the effective date of this act; and

(2) "commissioner" is the commissioner of human services.

Subd. 2. **Application for and terms of variance.** A new provider may apply to the commissioner, on a form supplied by the commissioner for this purpose, for a variance from special transportation service operating standards. The commissioner may grant or deny the variance application. Variances expire on the earlier of, February 1, 2016, or the date that the commissioner of transportation begins certifying new providers under the terms of this act and successor legislation.

Subd. 3. **Information concerning variances.** The commissioner shall periodically transmit to the Department of Transportation the number of variance applications received and the number granted.

Subd. 4. **Report by commissioner of transportation.** On or before February 1, 2015, the commissioner of transportation shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over transportation and human services concerning implementing this act. The report must contain recommendations of the commissioner of transportation concerning statutes, session laws, and rules that must be amended, repealed, enacted, or adopted to implement the terms of this act. The recommendations must include, without limitation, the amount of the fee that would be required to cover the costs of Department of Transportation supervision of inspection and certification, as well as any needed statutory rulemaking or other authority to be granted to the commissioner of transportation."

Page 267, delete section 36 and insert:

"Sec. 36. **REPEALER.**

(a) Minnesota Statutes 2012, sections 256.969, subdivisions 2c, 8b, 9a, 9b, 11, 13, 20, 21, 22, 26, 27, and 28; and 256.9695, subdivisions 3 and 4, are repealed.

(b) Minnesota Statutes 2013 Supplement, section 256B.0625, subdivision 18f, is repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Dehn, R., moved to amend the Norton amendment to H. F. No. 3172, the first engrossment, as amended, as follows:

Page 10, after line 25, insert:

"Page 380, after line 27, insert:

"Sec. 54. Minnesota Statutes 2013 Supplement, section 256B.492, is amended to read:

256B.492 HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE WITH DISABILITIES.

Subdivision 1. **Home and community-based waivers.** (a) Individuals receiving services under a home and community-based waiver under section 256B.092 or 256B.49 may receive services in the following settings:

(1) an individual's own home or family home;

(2) a licensed adult foster care or child foster care setting of up to five people; and

(3) community living settings as defined in section 256B.49, subdivision 23, where individuals with disabilities who are receiving services under a home and community-based waiver may reside in all of the units in a building of four or fewer units, and no more than the greater of four or 25 percent of the units in a multifamily building of more than four units, unless required by the Housing Opportunities for Persons with AIDS Program.

(b) The settings in paragraph (a) must not:

(1) be located in a building that is a publicly or privately operated facility that provides institutional treatment or custodial care;

(2) be located in a building on the grounds of or adjacent to a public or private institution;

(3) be a housing complex designed expressly around an individual's diagnosis or disability, unless required by the Housing Opportunities for Persons with AIDS Program;

(4) be segregated based on a disability, either physically or because of setting characteristics, from the larger community; and

(5) have the qualities of an institution which include, but are not limited to: regimented meal and sleep times, limitations on visitors, and lack of privacy. Restrictions agreed to and documented in the person's individual service plan shall not result in a residence having the qualities of an institution as long as the restrictions for the person are not imposed upon others in the same residence and are the least restrictive alternative, imposed for the shortest possible time to meet the person's needs.

(c) The provisions of paragraphs (a) and (b) do not apply to any setting in which individuals with disabilities receive services under a home and community-based waiver as of July 1, 2012, and the setting does not meet the criteria of this section.

(d) Notwithstanding paragraph (c), a program in Hennepin County established as part of a Hennepin County demonstration project is qualified for the exception allowed under paragraph (c).

(e) The commissioner shall submit an amendment to the waiver plan no later than December 31, 2012.

Subd. 2. Exceptions for home and community-based waiver housing programs. (a) Beginning no later than January 2015, based on the consultation with interested stakeholders as specified in subdivision 4, the commissioner shall accept and process applications for exceptions to subdivision 1 based on the criteria in this subdivision. The commissioner may grant exceptions for up to 200 units in which individuals may reside beginning July 1, 2016. Beginning July 1, 2017, the commissioner may grant additional exceptions beyond the 200 unit limit in this paragraph.

(b) An owner, operator, or developer of a community living setting may apply to the commissioner for an exception from the requirements in subdivision 1, paragraph (a), clause (3), and paragraph (b), clause (3). An exception may be granted when the community living setting requesting the exception submits to the commissioner an application providing the information requested in paragraph (c). The exception must require that housing costs be separated from service costs and allow the client to choose the vendor who provides personal services under the client's waiver.

(c) A community living setting application for an exception must include the following:

(1) an affirmation that the community living setting materially meets all the requirements for home and community-based settings in subdivision 1, paragraph (b), other than clause (3);

(2) an explanation of the scope and necessity of the exception, including documentation of the characteristics of the population to be served and the demand for the number of units the community living setting anticipates will be occupied by individuals receiving services under a home and community-based waiver in the proposed community living setting;

(3) an explanation of how the community living setting supports all individuals with disabilities receiving services under a home and community-based waiver in choosing the community living setting from among other options, the availability of those other options in the community for the specific population the program proposes to serve, the proposed rents, the services and service costs, if any, provided by the community living setting, and the cost-effectiveness of the proposed model; and

(4) a quality assurance plan affirming that the community living setting requesting the exception:

(i) supports or develops scattered-site alternatives to the community living setting for which the exception is requested;

(ii) supports the transition of individuals receiving services under a home and community-based waiver to the most integrated setting appropriate to the individual's needs;

(iii) has a history of meeting recognized quality standards for the population it serves or is targeting, or that it will meet recognized quality standards;

(iv) provides and facilitates for tenants receiving services under a home and community-based waiver unlimited access to the community, including opportunities to interact with nonstaff people without disabilities, appropriate to the individual's needs;

(v) supports a safe and healthy environment for all individuals living in the community living setting;

(vi) provides information on which entities will inspect the setting and the frequency of the inspections; and

(vii) affirms that the community living setting will annually collect information related to tenant satisfaction and that the information is available to current and prospective tenants and families.

(d) In assessing whether to grant or deny the community living setting's exception request, the commissioner shall:

(1) evaluate all of the assertions in the application, verify the assertions are accurate, and ensure that the application is complete;

(2) consult with all divisions in the Department of Human Services relevant to the specific populations being served by the community living setting, the Minnesota Housing Finance Agency, and the Department of Health;

(3) within 30 days of receiving the application notify the city, county, and local press of a 30-day public comment period to consider community input on the application, including input from tenants, potential tenants, and other interested stakeholders;

(4) deny an application in which:

(i) the community living setting fails to fully comply with the application requirements in paragraph (c);

(ii) the community living setting fails to comply with all applicable federal regulations regarding Medicaid-funded home and community-based services under the Code of Federal Regulations, title 42, parts 430, 431, 435, 436, 440, 441, and 447;

(iii) the community living setting fails to materially comply with any Minnesota law or regulation applicable to individuals with disabilities receiving home and community-based services under medical assistance;

(iv) the community living setting is not consistent with relevant parts of the Olmstead plan that are applicable to housing for individuals with disabilities who are receiving home and community-based services under medical assistance;

(v) the following factors adversely impact the quality of life and integration for residents:

(A) the total number of units in a building or the number of units to be occupied by persons receiving services under a home and community-based waiver; or

(B) the geographic concentration of disability-purposed housing; and

(vi) the number of approved or pending exceptions applications adversely impact the balance between persons with disabilities receiving home and community-based waivers in disability-purposed housing, and housing that contains units with and without persons with disabilities;

(5) take into account the community input raised during the public comment period;

(6) within 60 days of receiving the application, issue an approval, conditional approval, or denial of the exception; and

(7) accept and process applications from community living settings throughout the calendar year.

If conditional approval is granted under this section, the commissioner must specify the reasons for the conditional approval of the exception, and allow the community living setting 30 days to amend the application, and issue a renewed decision within 15 days of receiving the amended application. If the commissioner denies an exception under this section, the commissioner must specify the reasons for denying the exception.

(e) After a community living setting's exception is approved, any material change in the population to be served or the services to be offered must be submitted to the commissioner who must decide if the changes are consistent with the basis on which the exception was granted, or if another exception request needs to be submitted.

(f) If an exception is approved and later revoked, no tenant must be displaced as a result of this revocation until a relocation plan is implemented that provides an acceptable alternative community living setting.

(g) No community living setting that meets the requirements under subdivision 1 is required to apply for an exception described in this subdivision.

Subd. 3. Exception process expiration. Beginning January 1, 2019, the commissioner shall not accept or process applications for exceptions under subdivision 2. Community living settings granted an exception under subdivision 2, prior to January 1, 2019, may retain their exception status under the provisions in subdivision 2.

Subd. 4. Public input on exception process. The commissioner shall consult with interested stakeholders to develop a plan for implementing the exceptions process described in Minnesota Statutes, section 256B.492, subdivision 2. The implementation plan for the applications must be based on the criteria in Minnesota Statutes, section 256B.492, subdivision 2, including defining key terms related to the quality and integration measures, as well as the grounds for denying or approving an application and any other information necessary to manage the exceptions process. The commissioner shall consult with representatives from each relevant division of the Department of Human Services, The Coalition for Choice in Housing, NAMI, The Arc Minnesota, Mental Health Association of Minnesota, Minnesota Disability Law Center, Minnesota State Council on Disability, The Office of Ombudsman for Mental Health and Developmental Disabilities, and other provider organizations, counties, disability advocates, and individuals with disabilities or family members of an individual with disabilities.

Subd. 5. Legislative update. By January 15, 2015, the commissioner shall provide an update to the chairs and ranking minority members of the legislative committees with jurisdiction over the finalized exceptions process."

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Norton amendment, as amended, to H. F. No. 3172, the first engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Persell moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 394, line 31, delete "967,000" and insert "867,000" and delete "1,801,000" and insert "1,901,000"

Page 395, line 3, delete "1,150,000" and insert "1,050,000" and delete "1,994,000" and insert "2,094,000"

Page 395, line 9, delete "1,819,000" and insert "1,919,000"

Page 396, after line 32, insert:

"Ambulance services in underserved areas. \$100,000 in fiscal year 2015 from the general fund is for a grant to the Leech Lake Band of Ojibwe ambulance service for equipment upgrades necessary to meet the qualifications for licensure as an advanced life support ambulance service under Minnesota Statutes, chapter 144E. This is a onetime appropriation."

Page 398, line 31, delete the first "100,000" and insert "0"

Page 399, delete lines 1 to 5 and insert:

"Healthy housing. \$100,000 in fiscal year 2015 from the general fund is for education and training grants under Minnesota Statutes, section 144.9513, subdivision 3, and is added to the base."

The motion prevailed and the amendment was adopted.

Gruenhagen moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 264, after line 2, insert:

"Sec. 30. Minnesota Statutes 2012, section 256B.0644, is amended to read:

256B.0644 REIMBURSEMENT UNDER OTHER STATE HEALTH CARE PROGRAMS.

(a) A vendor of medical care, as defined in section 256B.02, subdivision 7, and a health maintenance organization, as defined in chapter 62D, must participate as a provider or contractor in the medical assistance program and MinnesotaCare as a condition of participating as a provider in health insurance plans and programs or contractor for state employees established under section 43A.18, the public employees insurance program under section 43A.316, for health insurance plans offered to local statutory or home rule charter city, county, and school district employees, the workers' compensation system under section 176.135, and insurance plans provided through the Minnesota Comprehensive Health Association under sections 62E.01 to 62E.19. The limitations on insurance plans offered to local government employees shall not be applicable in geographic areas where provider participation is limited by managed care contracts with the Department of Human Services. This section does not apply to dental service providers providing dental services outside the seven-county metropolitan area.

(b) For providers other than health maintenance organizations, participation in the medical assistance program means that:

(1) the provider accepts new medical assistance and MinnesotaCare patients;

(2) for providers other than dental service providers, at least 20 percent of the provider's patients are covered by medical assistance and MinnesotaCare as their primary source of coverage; or

(3) for dental service providers providing dental services in the seven-county metropolitan area, at least ten percent of the provider's patients are covered by medical assistance and MinnesotaCare as their primary source of coverage, or the provider accepts new medical assistance and MinnesotaCare patients who are children with special health care needs. For purposes of this section, "children with special health care needs" means children up to age 18 who: (i) require health and related services beyond that required by children generally; and (ii) have or are at risk for a chronic physical, developmental, behavioral, or emotional condition, including: bleeding and coagulation disorders; immunodeficiency disorders; cancer; endocrinopathy; developmental disabilities; epilepsy, cerebral palsy, and other neurological diseases; visual impairment or deafness; Down syndrome and other genetic disorders; autism; fetal alcohol syndrome; and other conditions designated by the commissioner after consultation with representatives of pediatric dental providers and consumers.

(c) Patients seen on a volunteer basis by the provider at a location other than the provider's usual place of practice may be considered in meeting the participation requirement in this section. The commissioner shall establish participation requirements for health maintenance organizations. The commissioner shall provide lists of participating medical assistance providers on a quarterly basis to the commissioner of management and budget, the commissioner of labor and industry, and the commissioner of commerce. Each of the commissioners shall develop and implement procedures to exclude as participating providers in the program or programs under their jurisdiction those providers who do not participate in the medical assistance program. The commissioner of management and budget shall implement this section through contracts with participating health and dental carriers.

(d) A volunteer dentist who has signed a volunteer agreement under section 256B.0625, subdivision 9a, shall not be considered to be participating in medical assistance or MinnesotaCare for the purpose of this section.

EFFECTIVE DATE. This section is effective upon receipt of any necessary federal waiver or approval. The commissioner of human services shall notify the revisor of statutes if a federal waiver or approval is sought and, if sought, when a federal waiver or approval is obtained.

Page 267, after line 29, insert:

"Sec. 36. **FEDERAL WAIVER OR APPROVAL.**

The commissioner of human services shall seek any federal waiver or approval necessary to implement section 21."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Abeler moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 267, after line 29, insert:

"Sec. 36. **STUDY OF MINNESOTACARE FINANCIAL VIABILITY.**

The commissioner of human services shall study the financial viability of the MinnesotaCare program. In conducting the study, the commissioner shall examine: (1) projected funding and alternative funding sources; (2) the appropriate level of MinnesotaCare covered services and cost-sharing; (3) projected and actual enrollment in the

program; and (4) other factors the commissioner determines to be relevant. The commissioner shall present to the legislature, by January 1, 2015, recommendations for any program and funding changes necessary to ensure that the MinnesotaCare program remains financially viable and meets the health care needs of enrollees."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Liebling was excused for the remainder of today's session.

Abeler moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 243, after line 32, insert:

"Sec. 9. **STUDY OF FOR-PROFIT HEALTH MAINTENANCE ORGANIZATIONS.**

The commissioner of health may contract with an entity with expertise in health economics and health care delivery and quality to study the efficiency, costs, service quality, and enrollee satisfaction of for-profit health maintenance organizations, relative to not-for-profit health maintenance organizations operating in Minnesota and other states. The study findings must address whether the state of Minnesota could (1) reduce medical assistance and MinnesotaCare costs and costs of providing coverage to state employees; and (2) maintain or improve the quality of care provided to state health care program enrollees and state employees if for-profit health maintenance organizations were allowed to operate in the state. The commissioner shall require the entity under contract to report study findings to the commissioner and the legislature by January 15, 2015."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

POINT OF ORDER

Carlson raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Abeler amendment was not in order. The Speaker ruled the point of order not well taken and the Abeler amendment in order.

The question recurred on the Abeler amendment to H. F. No. 3172, the first engrossment, as amended. The motion did not prevail and the amendment was not adopted.

Clark moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 268, after line 3, insert:

"Section 1. Minnesota Statutes 2012, section 119B.09, subdivision 9a, is amended to read:

Subd. 9a. **Child care centers; assistance.** (a) For the purposes of this subdivision, "qualifying child" means a child who satisfies both of the following:

(1) is not a child or dependent of an employee of the child care provider; and

(2) does not reside with an employee of the child care provider.

(b) Funds distributed under this chapter must not be paid for child care services that are provided for a child by a child care provider who employs either the parent of the child or a person who resides with the child, unless at all times at least 50 percent of the children for whom the child care provider is providing care are qualifying children under paragraph (a).

(c) If a child care provider satisfies the requirements for payment under paragraph (b), but the percentage of qualifying children under paragraph (a) for whom the provider is providing care falls below 50 percent, the provider shall have four weeks to raise the percentage of qualifying children for whom the provider is providing care to at least 50 percent before payments to the provider are discontinued for child care services provided for a child who is not a qualifying child.

(d) This subdivision is suspended effective the day following final enactment and is reinstated effective July 1, 2016.

Sec. 2. Minnesota Statutes 2012, section 119B.09, is amended by adding a subdivision to read:

Subd. 9b. **Evaluation; new Americans child care center model.** (a) The commissioner of human services shall contract with an agency skilled in cross-cultural competencies and program evaluation to analyze achievement of children, meaningful employment of parents, and compliance with state goals for the child care assistance program, federal requirements under the child care and development fund, and state licensing laws and rules. The contract shall evaluate the following:

(1) the economic impact of enforcing section 119B.09, subdivision 9a;

(2) the cultural assets of the existing new Americans child care center models;

(3) the educational achievement record of children participating in the existing new Americans child care center models;

(4) the employability, jobs, and job advancement opportunities created for parents employed in the existing new Americans child care center models, including movement into jobs outside of child care centers attended by their children;

(5) the professional development of parents as measured through training and coaching approved through the Minnesota Center for Professional Development;

(6) the alignment of parental employment within a child care center with state and federal law and regulation pertaining to the child care assistance program; and

(7) employee experience providing independent care to groups of children other than their own.

(b) The commissioner shall report the findings of the evaluation and report to the chairs and ranking minority members of the legislative committees with jurisdiction over early childhood education and health and human services policy and finance by January 15, 2016.

(c) \$200,000 is appropriated in fiscal year 2015 for the purposes specified in this subdivision.

Sec. 3. Minnesota Statutes 2012, section 245A.03, subdivision 2c, is amended to read:

Subd. 2c. **School-age child care licensing moratorium.** A school-age program whose sole purpose is to provide only services to school-age children during out-of-school times is exempt from the human services licensing requirements in this chapter until July 1, ~~2014~~ 2015. Nothing in this section prohibits an already licensed school-age-only program from continuing its license or a school-age program from seeking licensure."

Page 392, line 9, delete "91,753,000" and insert "91,953,000"

Page 392, line 11, delete "89,406,000" and insert "89,606,000"

Page 392, after line 20, insert:

"(b) **Children and Families** -0- 200,000"

Reletter the paragraphs in sequence

Page 394, line 31, delete "1,801,000" and insert "1,601,000"

Page 395, line 3, delete "1,994,000" and insert "1,794,000"

Page 395, line 9, delete "1,819,000" and insert "1,619,000"

Page 395, line 10, delete "\$750,000" and insert "\$550,000"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Adjust amounts accordingly

The motion prevailed and the amendment was adopted.

Quam moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 264, line 16, after the period, insert "At least 33 percent of the committee members must reside outside of the eleven-county metropolitan area."

The motion did not prevail and the amendment was not adopted.

Pursuant to rule 1.50, Zerwas moved that the House be allowed to continue in session after 12:00 midnight. The motion did not prevail.

Mack moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 417, after line 29, insert:

"Sec. 12. **RETURN ON TAXPAYER INVESTMENT IMPLEMENTATION STUDY.**

The commissioner of human services shall transfer \$100,000 from existing resources in fiscal year 2015 to the commissioner of management and budget to develop recommendations for implementing a return on taxpayer investment (ROTI) methodology and practice related to human services and corrections programs administered and funded by state and county government. The scope of the study shall include assessments of ROTI initiatives in other states, design implications for Minnesota, and identification of one or more Minnesota institutions of higher education capable of providing rigorous and consistent nonpartisan institutional support for ROTI. The commissioner of management and budget shall consult with representatives of other state agencies, counties, legislative staff, Minnesota institutions of higher education, and other stakeholders in developing recommendations. The commissioner of management and budget shall report findings and recommendations to the governor and legislature by November 30, 2014."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Franson and Schomacker moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 376, after line 3, insert:

"Sec. 49. Minnesota Statutes 2012, section 256B.434, is amended by adding a subdivision to read:

Subd. 19c. **Nursing facility rate adjustments beginning July 1, 2015.** (a) Beginning July 1, 2015, the commissioner shall make available to each nursing facility reimbursed under this section a 5 percent operating payment rate increase, in accordance with paragraphs (b) to (g).

(b) Seventy-five percent of the money resulting from the rate adjustment under paragraph (a) must be used for increases in compensation-related costs for employees directly employed by the nursing facility on or after the effective date of the rate adjustment, except:

(1) the administrator;

(2) persons employed in the central office of a corporation that has an ownership interest in the nursing facility or exercises control over the nursing facility; and

(3) persons paid by the nursing facility under a management contract.

(c) The commissioner shall allow as compensation-related costs all costs for:

(1) wage and salary increases effective after May 25, 2015;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation;

(3) the employer's share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and pensions; and

(4) other benefits provided and workforce needs, including the recruiting and training of employees, subject to the approval of the commissioner.

(d) The portion of the rate adjustment under paragraph (a) that is not subject to the requirements of paragraph (b) shall be provided to nursing facilities effective July 1, 2015. Nursing facilities may apply for the portion of the rate adjustment under paragraph (a) that is subject to the requirements in paragraph (b). The application must be submitted to the commissioner within six months of the effective date of the rate adjustment, and the nursing facility must provide additional information required by the commissioner within nine months of the effective date of the rate adjustment. The commissioner must respond to all applications within three weeks of receipt. The commissioner may waive the deadlines in this paragraph under extraordinary circumstances, to be determined at the sole discretion of the commissioner. The application must contain:

(1) an estimate of the amounts of money that must be used as specified in paragraph (b);

(2) a detailed distribution plan specifying the allowable compensation-related increases the nursing facility will implement to use the funds available in clause (1);

(3) a description of how the nursing facility will notify eligible employees of the contents of the approved application, which must provide for giving each eligible employee a copy of the approved application, excluding the information required in clause (1), or posting a copy of the approved application, excluding the information required in clause (1), for a period of at least six weeks in an area of the nursing facility to which all eligible employees have access; and

(4) instructions for employees who believe they have not received the compensation-related increases specified in clause (2), as approved by the commissioner, and which must include a mailing address, e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative.

(e) The commissioner shall ensure that cost increases in distribution plans under paragraph (d), clause (2), that may be included in approved applications, comply with the following requirements:

(1) a portion of the costs resulting from tenure-related wage or salary increases may be considered to be allowable wage increases, according to formulas that the commissioner shall provide, where employee retention is above the average statewide rate of retention of direct-care employees;

(2) the annualized amount of increases in costs for the employer's share of health and dental insurance, life insurance, disability insurance, and workers' compensation shall be allowable compensation-related increases if they are effective on or after April 1, 2015, and prior to April 1, 2016; and

(3) for nursing facilities in which employees are represented by an exclusive bargaining representative, the commissioner shall approve the application only upon receipt of a letter of acceptance of the distribution plan, in regard to members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2015.

Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this provision as having been met in regard to the members of the bargaining unit.

(f) The commissioner shall review applications received under paragraph (d) and shall provide the portion of the rate adjustment under paragraph (b) if the requirements of this statute have been met. The rate adjustment shall be effective October 1, 2015. Notwithstanding paragraph (a), if the approved application distributes less money than is available, the amount of the rate adjustment shall be reduced so that the amount of money made available is equal to the amount to be distributed.

(g) The increase in this subdivision shall be applied as a percentage to operating payment rates in effect on June 30, 2015. For each facility, the commissioner shall determine the operating payment rate, not including any rate components resulting from equitable cost-sharing for publicly owned nursing facility program participation under section 256B.441, subdivision 55a, critical access nursing facility program participation under section 256B.441, subdivision 63, or performance-based incentive payment program participation under subdivision 4, paragraph (d), for a RUG class with a weight of 1.00 in effect on June 30, 2015."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Faust moved to amend the Franson and Schomacker amendment to H. F. No. 3172, the first engrossment, as amended, as follows:

Page 1, after line 3, insert:

"Sec. 49. Minnesota Statutes 2012, section 256B.431, is amended by adding a subdivision to read:

Subd. 46. **Rate increase for facilities in Mille Lacs, Isanti, and Kanabec Counties.** (a) Effective July 1, 2015, the operating payment rates of nursing facilities in Mille Lacs, Isanti, and Kanabec Counties that are reimbursed under this section, section 256B.434, or section 256B.441, shall be increased to be equal, for a resource utilization group rate with a weight of 1.00, to the geographic group III median rate for the same resource utilization group weight. The calculations under this subdivision shall be added to the rates before any other operating payment rate adjustments effective on July 1, 2015, are computed. The percentage of the operating payment rates to be case-mix adjusted shall be equal to the percentage that is case-mix adjusted in the June 30, 2015, operating payment rates.

(b) Seventy-five percent of the money resulting from the rate adjustment under paragraph (a) must be used for increases in compensation-related costs for employees directly employed by the nursing facility on or after the effective date of the rate adjustment, except:

(1) the administrator;

(2) persons employed in the central office of a corporation that has an ownership interest in the nursing facility or exercises control over the nursing facility; and

(3) persons paid by the nursing facility under a management contract.

(c) The commissioner shall allow as compensation-related costs all costs for:

(1) wage and salary increases effective after May 25, 2015;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation;

(3) the employer's share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and pensions; and

(4) other benefits provided and workforce needs, including the recruiting and training of employees, subject to the approval of the commissioner.

(d) The portion of the rate adjustment under paragraph (a) that is not subject to the requirements of paragraph (b) shall be provided to nursing facilities effective July 1, 2015. Nursing facilities may apply for the portion of the rate adjustment under paragraph (a) that is subject to the requirements of paragraph (b). The application must be submitted to the commissioner within six months of the effective date of the rate adjustment, and the nursing facility must provide additional information required by the commissioner within nine months of the effective date of the rate adjustment. The commissioner must respond to all applications within three weeks of receipt. The commissioner may waive the deadlines in the paragraph under extraordinary circumstances, to be determined at the sole discretion of the commissioner. The application must contain:

(1) an estimate of the amounts of money that must be used as specified in paragraph (b);

(2) a detailed distribution plan specifying the allowable compensation-related increases the nursing facility will implement to use the funds available in clause (1);

(3) a description of how the nursing facility will notify eligible employees of the contents of the approved application, which must provide for giving each eligible employee a copy of the approved application, excluding the information required in clause (1), or posting a copy of the approved application, excluding the information required in clause (1), for a period of at least six weeks in an area of the nursing facility to which all eligible employees have access; and

(4) instructions for employees who believe they have not received the compensation-related increases specified in clause (2), as approved by the commissioner, and which must include a mailing address, an e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative.

(e) The commissioner shall ensure that cost increases in distribution plans under paragraph (d), clause (2), that may be included in approved applications comply with the following requirements:

(1) a portion of the costs resulting from tenure-related wage or salary increases may be considered to be allowable wage increases, according to formulas that the commissioner shall provide, where employee retention is above the average statewide rate of retention of direct-care employees;

(2) the annualized amount of increases in costs for the employer's share of health and dental insurance, life insurance, disability insurance, and workers' compensation shall be allowable compensation-related increases if they are effective on or after April 1, 2015, and prior to April 1, 2016; and

(3) for nursing facilities in which employees are represented by an exclusive bargaining representative, the commissioner shall approve the application only upon receipt of a letter of acceptance of the distribution plan, in regard to members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2015. Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this provision as having been met in regard to the members of the bargaining unit.

(f) The commissioner shall review applications received under paragraph (d) and shall provide the portion of the rate adjustment under paragraph (b) if the requirements of this subdivision have been met. The rate adjustment shall be effective July 1, 2015. Notwithstanding paragraph (a), if the approved application distributes less money than is available, the amount of the rate adjustment shall be reduced so that the amount of money made available is equal to the amount to be distributed.

(g) The increase in this subdivision shall be applied as a percentage to operating payment rates in effect on June 30, 2015. For each facility the commissioner shall determine the operating payment rate, not including any rate components resulting from equitable cost-sharing for publicly owned nursing facility program participation under section 256B.441, subdivision 55a, or performance-based incentive payment program participation under section 256B.434, subdivision 4, paragraph (d), for a resource utilization group class with a weight of 1.00 in effect on June 30, 2015."

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Franson and Schomacker amendment, as amended, and the roll was called. There were 100 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hansen	Lohmer	Norton	Scott
Albright	Dorholt	Hertaus	Loon	O'Driscoll	Selcer
Anderson, M.	Drazkowski	Hilstrom	Mack	O'Neill	Sundin
Anderson, P.	Erickson, R.	Holberg	Mariani	Pelowski	Swedzinski
Anderson, S.	Erickson, S.	Hoppe	Marquart	Peppin	Theis
Anzelc	Fabian	Hortman	Masin	Persell	Torkelson
Barrett	Falk	Howe	McDonald	Petersburg	Uglen
Beard	Faust	Johnson, B.	McNamar	Poppe	Urdahl
Benson, M.	Franson	Johnson, C.	McNamara	Pugh	Ward, J.A.
Bernardy	Freiberg	Johnson, S.	Melin	Quam	Ward, J.E.
Bly	Fritz	Kelly	Metsa	Radinovich	Wills
Cornish	Green	Kiel	Morgan	Rosenthal	Winkler
Daudt	Gruenhagen	Kresha	Murphy, M.	Runbeck	Woodard
Davids	Gunther	Leidiger	Myhra	Sanders	Zellers
Davnie	Hackbarth	Lenczewski	Newberger	Savick	Zerwas
Dean, M.	Halverson	Lien	Newton	Sawatzky	
Dettmer	Hamilton	Lillie	Nornes	Schomacker	

Those who voted in the negative were:

Allen	Clark	Huntley	Loeffler	Nelson	Wagenius
Atkins	Dehn, R.	Isaacson	Mahoney	Paymar	Yarusso
Benson, J.	Erhardt	Kahn	Moran	Schoen	Spk. Thissen
Brynaert	Hausman	Kieffer	Mullery	Simonson	
Carlson	Hornstein	Laine	Murphy, E.	Slocum	

The motion prevailed and the amendment, as amended, was adopted.

Norton moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 375, after line 7, insert:

"Sec. 46. Minnesota Statutes 2012, section 252.27, is amended by adding a subdivision to read:

Subd. 2d. **Fees limited.** Effective January 1, 2015, to December 31, 2015, the fee a parent is required to contribute to the cost of services under medical assistance for an individual child shall not exceed the maximum insurance premium charged in Minnesota under the federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended, for a child-only policy for a child with the same amount of income, plus a \$500 annual deductible, or the current parent fee under subdivision 2a, whichever is less."

Page 376, after line 3, insert:

"Sec. 49. Minnesota Statutes 2013 Supplement, section 256B.0949, subdivision 11, is amended to read:

Subd. 11. **Federal approval of the autism benefit.** (a) The provisions of ~~subdivision 9~~ this section shall apply to state plan services under title XIX of the Social Security Act when federal approval is granted under a 1915(i) waiver or other authority which allows children eligible for medical assistance through the TEFRA option under section 256B.055, subdivision 12, to qualify and includes children eligible for medical assistance in families over 150 percent of the federal poverty guidelines.

(b) The commissioner may decide to use the federal authority for a Medicaid state plan amendment under early and periodic screening, diagnosis, and treatment (EPSDT), United States Code, title 42, section 1396D(R)(5), or other Medicaid provision for any aspect or type of treatment covered in this section if new federal guidance is helpful in achieving one or more of the purposes of this section in a cost-effective manner. Any treatment services submitted for federal approval under EPSDT shall include appropriate medical criteria to qualify for the service and cover children through age 20 notwithstanding subdivision 2, paragraph (c)."

Page 382, after line 21, insert:

"Sec. 55. Laws 2013, chapter 108, article 7, section 14, the effective date, is amended to read:

EFFECTIVE DATE. Subdivisions 1 to 7 and 9, are effective upon federal approval consistent with subdivision 11, but no earlier than ~~March~~ July 1, 2014. Subdivisions 8, 10, and 11 are effective July 1, 2013."

Page 385, after line 36, insert:

"Sec. 56. **DIRECTION TO COMMISSIONER; MA AUTISM EARLY INTENSIVE INTERVENTION BENEFIT DELAY.**

Any savings attributable to the delay in the effective date of the MA autism early intensive intervention benefit under Minnesota Statutes, section 256B.0949, shall be available to the commissioner of human services in fiscal years 2015 and 2016 for the parental fee limitation under Minnesota Statutes, section 252.27, subdivision 2d."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Hoppe moved to amend H. F. No. 3172, the first engrossment, as amended, as follows:

Page 391, after line 22, insert:

"Sec. 10. **STUDY OF MNSURE TECHNOLOGY AND COMPUTER SYSTEMS.**

The commissioner of human services shall study the efficiency, effectiveness, and cost of the MNSure technology and computer systems used to determine eligibility for premium tax credits and cost-sharing subsidies, determine eligibility for Minnesota health care programs and the basic health plan, and allow the selection of qualified health plans. The commissioner shall make recommendations on necessary technology and computer system improvements and modifications, and shall also make recommendations on whether Minnesota should replace its existing system with exchange technology and computer systems that have proven to be effective in other states. The commissioner shall present the report and recommendations to the legislature by December 15, 2014."

The motion did not prevail and the amendment was not adopted.

Dean, M., offered an amendment to H. F. No. 3172, the first engrossment, as amended.

Murphy, E., offered an amendment to the Dean, M., amendment to H. F. No. 3172, the first engrossment, as amended.

POINT OF ORDER

Atkins raised a point of order pursuant to rule 3.21(b) that the Murphy, E., amendment to the Dean, M., amendment was not in order. The Speaker ruled the point of order well taken and the Murphy, E., amendment to the Dean, M., amendment out of order.

POINT OF ORDER

Atkins raised a point of order pursuant to rule 3.21 that the Dean, M., amendment was not in order. The Speaker ruled the point of order well taken and the Dean, M., amendment out of order.

Sanders appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 70 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Allen	Carlson	Erickson, R.	Hansen	Johnson, C.	Loeffler
Anzelc	Clark	Falk	Hausman	Johnson, S.	Mahoney
Atkins	Davnie	Faust	Hilstrom	Kahn	Mariani
Benson, J.	Dehn, R.	Fischer	Hornstein	Laine	Marquart
Bernardy	Dill	Freiberg	Hortman	Lenczewski	Masin
Bly	Dorholt	Fritz	Huntley	Lien	McNamar
Brynaert	Erhardt	Halverson	Isaacson	Lillie	Melin

Metsa	Murphy, M.	Pelowski	Savick	Slocum	Winkler
Moran	Nelson	Persell	Sawatzky	Sundin	Yarusso
Morgan	Newton	Poppe	Schoen	Wagenius	Spk. Thissen
Mullery	Norton	Radinovich	Selcer	Ward, J.A.	
Murphy, E.	Paymar	Rosenthal	Simonson	Ward, J.E.	

Those who voted in the negative were:

Abeler	Davids	Hackbarth	Kresha	O'Driscoll	Swedzinski
Albright	Dean, M.	Hamilton	Leidiger	O'Neill	Theis
Anderson, M.	Dettmer	Hertaus	Lohmer	Peppin	Torkelson
Anderson, P.	Drazkowski	Holberg	Loon	Petersburg	Uglem
Anderson, S.	Erickson, S.	Hoppe	Mack	Pugh	Urdahl
Barrett	Fabian	Howe	McDonald	Quam	Wills
Beard	Franson	Johnson, B.	McNamara	Runbeck	Woodard
Benson, M.	Green	Kelly	Myhra	Sanders	Zellers
Cornish	Gruenhagen	Kieffer	Newberger	Schomacker	Zerwas
Daudt	Gunther	Kiel	Nornes	Scott	

So it was the judgment of the House that the decision of the Speaker should stand.

H. F. No. 3172, as amended, was read for the third time.

Pursuant to rule 1.50, Murphy, E., moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

H. F. No. 3172, A bill for an act relating to state government; providing supplemental appropriations for higher education, jobs and economic development, public safety, corrections, transportation, environment, natural resources, and agriculture, kindergarten through grade 12 and adult education, health and human services; making forecast adjustments; modifying prior appropriations; modifying disposition of certain revenues; dedicating money to the Board of Trustees of the Minnesota State Colleges and Universities for compensation costs associated with settlement of employment contracts; dedicating certain funds for homeownership opportunities for families evicted or given notice of eviction due to a disabled child in the home; requiring the housing finance agency to improve efforts to reduce racial and ethnic inequalities in homeownership rates; creating an office of regenerative medicine development; modifying workforce program outcomes; creating job training programs; providing funding for the Minnesota Racing Commission; providing a grant to the Mille Lacs Tourism Council; funding Peace Officer Standards and Training Board; modifying certain provisions pertaining to victims of domestic violence and sentencing for criminal sexual conduct; continuing the fire safety advisory committee; providing for disaster assistance for public entities when federal aid is granted and when federal aid is absent; establishing certain transportation oversight authority; modifying provisions for railroad and pipeline safety; modifying certain transportation provisions; providing compensation for bee deaths due to pesticide poisoning; establishing pollinator emergency response team; providing nonresident off-highway motorcycle state trail pass; requiring certain recycling; modifying solid waste reduction; regulating harmful chemicals in children's products; providing for state parks and trails license plates, and licensing and inspection of commercial dog and cat breeders; providing for invasive terrestrial plants and pests center; providing funding and policy modifications for early childhood, kindergarten through grade 12, and adult education, including general education, education excellence, special education, facilities, nutrition, community education, self-sufficiency and lifelong learning, and state agencies; making changes to provisions governing the Department of Health, Department of Human Services, children and family services, continuing care, community first services and supports, health care, public assistance programs, and

chemical dependency; providing for unborn child protection; modifying the hospital payment system; modifying provisions governing background studies and home and community-based services standards; setting fees; providing rate increases; establishing grant programs; modifying medical assistance provisions; modifying the use of positive support strategies and emergency manual restraint; providing for certain grants; defining terms; creating accounts; requiring reports; providing penalties; authorizing rulemaking; amending Minnesota Statutes 2012, sections 12.03, by adding subdivisions; 12.221, subdivision 4, by adding a subdivision; 12A.02, subdivision 2, by adding subdivisions; 12A.03, subdivision 3; 12A.15, subdivision 1; 13.46, subdivision 4; 13.643, subdivision 6; 13.7411, subdivision 8; 13.84, subdivisions 5, 6; 16A.28, by adding a subdivision; 18B.01, by adding subdivisions; 18B.03, by adding a subdivision; 18B.04; 84.788, subdivision 2; 85.053, subdivision 2; 85.34, subdivision 7; 85A.02, subdivision 2; 103G.271, subdivision 6; 115A.151; 115A.55, subdivision 4; 115A.551, subdivisions 1, 2a; 115A.557, subdivisions 2, 3; 115B.39, subdivision 2; 115E.01, by adding subdivisions; 115E.08, by adding subdivisions; 116.9401; 116.9402; 116.9403; 116.9405; 116.9406; 116L.98; 119B.09, subdivision 9a, by adding a subdivision; 121A.19; 122A.40, subdivision 13; 122A.41, subdivision 6; 122A.415, subdivision 1; 123A.05, subdivision 2; 123A.485; 123A.64; 123B.57, subdivision 6; 123B.71, subdivisions 8, 9; 124D.09, subdivisions 9, 13; 124D.111, by adding a subdivision; 124D.16, subdivision 2; 124D.522; 124D.531, subdivision 3; 124D.59, subdivision 2; 125A.76, subdivision 2; 126C.10, subdivisions 25, 26; 127A.45, subdivisions 2, 3; 127A.49, subdivisions 2, 3; 129C.10, subdivision 3, by adding a subdivision; 144.0724, as amended; 144.551, subdivision 1; 145.4131, subdivision 1; 165.15, subdivision 2; 169.826, by adding a subdivision; 169.8261, by adding a subdivision; 169.86, subdivision 5; 169.863, by adding a subdivision; 169.865, subdivisions 1, 2, by adding a subdivision; 169.866, subdivision 3, by adding a subdivision; 174.24, by adding a subdivision; 174.56, subdivision 1, by adding a subdivision; 179.02, by adding a subdivision; 181A.07, by adding a subdivision; 219.015, subdivisions 1, 2; 243.167, subdivision 1; 245A.03, subdivision 2c; 245C.03, by adding a subdivision; 245C.04, by adding a subdivision; 245C.05, subdivision 5; 245C.10, by adding a subdivision; 245C.33, subdivisions 1, 4; 252.27, by adding a subdivision; 252.451, subdivision 2; 254B.12; 256.01, by adding a subdivision; 256.9685, subdivisions 1, 1a; 256.9686, subdivision 2; 256.969, subdivisions 1, 2, 2b, 3a, 3b, 3c, 6a, 8, 8a, 9, 10, 12, 14, 17, 18, 25, 30, by adding subdivisions; 256.9752, subdivision 2; 256B.04, by adding a subdivision; 256B.0625, subdivisions 18b, 18c, 18d, 18g, 30, by adding a subdivision; 256B.0751, by adding a subdivision; 256B.199; 256B.35, subdivision 1; 256B.431, by adding a subdivision; 256B.434, by adding a subdivision; 256B.441, by adding a subdivision; 256B.5012, by adding a subdivision; 256I.04, subdivision 2b; 256I.05, subdivision 2; 256J.49, subdivision 13; 256J.53, subdivisions 1, 2, 5; 256J.531; 257.85, subdivision 11; 260C.212, subdivision 1; 260C.515, subdivision 4; 260C.611; 299F.012, subdivisions 1, 2; 469.084, by adding a subdivision; 473.408, by adding a subdivision; 609.135, subdivision 2; 609.3451, subdivision 3; 611A.06, by adding a subdivision; Minnesota Statutes 2013 Supplement, sections 16A.724, subdivision 2; 123B.53, subdivisions 1, 5; 123B.54; 123B.75, subdivision 5; 124D.11, subdivision 1; 124D.111, subdivision 1; 124D.165, subdivision 5; 124D.531, subdivision 1; 124D.65, subdivision 5; 124D.862, subdivisions 1, 2; 125A.0942; 125A.11, subdivision 1; 125A.76, subdivisions 1, 2a, 2b, 2c; 125A.79, subdivisions 1, 5, 8; 126C.05, subdivision 15; 126C.10, subdivisions 2, 2a, 2d, 24, 31; 126C.17, subdivisions 6, 7b, 9, 9a; 126C.44; 126C.48, subdivision 8; 127A.47, subdivision 7; 145.4716, subdivision 2; 168.123, subdivision 2; 174.42, subdivision 2; 245.8251; 245A.03, subdivision 7; 245A.042, subdivision 3; 245A.16, subdivision 1; 245C.08, subdivision 1; 245D.02, subdivisions 3, 4b, 8b, 11, 15b, 29, 34, 34a, by adding a subdivision; 245D.03, subdivisions 1, 2, 3, by adding a subdivision; 245D.04, subdivision 3; 245D.05, subdivisions 1, 1a, 1b, 2, 4, 5; 245D.051; 245D.06, subdivisions 1, 2, 4, 6, 7, 8; 245D.071, subdivisions 3, 4, 5; 245D.081, subdivision 2; 245D.09, subdivisions 3, 4a; 245D.091, subdivisions 2, 3, 4; 245D.10, subdivisions 3, 4; 245D.11, subdivision 2; 256B.04, subdivision 21; 256B.056, subdivision 5c; 256B.0625, subdivisions 17, 18e; 256B.0949, subdivisions 4, 11; 256B.439, subdivisions 1, 7; 256B.441, subdivision 53; 256B.4912, subdivision 1; 256B.492; 256B.69, subdivision 34; 256B.85, subdivisions 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 23, 24, by adding subdivisions; 256N.22, subdivisions 1, 2, 4; 256N.23, subdivision 4; 256N.25, subdivisions 2, 3; 256N.26, subdivision 1; 256N.27, subdivision 4; Laws 2008, chapter 363, article 5, section 4, subdivision 7, as amended; Laws 2009, chapter 83, article 1, section 10, subdivision 7; Laws 2010, chapter 189, sections 15, subdivision 12; 26, subdivision 4; Laws 2012, chapter 249, section 11; Laws 2012, chapter 263, section 1; Laws 2012, chapter 287, article 2, sections 1; 3; Laws 2012, First Special Session chapter 1, article 1, section 28; Laws 2013, chapter 1, section 6, as amended; Laws 2013, chapter 85, article 1, sections 3, subdivisions 2, 5, 6; 4, subdivisions 1, 2; 5; 13,

subdivision 5; Laws 2013, chapter 86, article 1, sections 12, subdivision 3, as amended; 13; Laws 2013, chapter 108, article 1, section 24; article 3, section 48; article 7, sections 14; 49; article 14, sections 2, subdivisions 1, 4, as amended, 5, 6, as amended; 3, subdivisions 1, 4; 4, subdivision 8; 12; Laws 2013, chapter 114, article 3, section 4, subdivision 3; Laws 2013, chapter 116, article 1, section 58, subdivisions 2, 3, 4, 5, 6, 7, 11; article 3, section 37, subdivisions 3, 4, 5, 6, 8, 11, 15, 20; article 4, section 9, subdivision 2; article 5, section 31, subdivisions 2, 3, 4, 8; article 6, section 12, subdivisions 2, 3, 4, 5, 6; article 7, section 21, subdivisions 2, 3, 4, 6, 7, 9; article 8, section 5, subdivisions 2, 3, 4, 10, 11, 14; article 9, sections 1, subdivision 2; 2; Laws 2013, chapter 117, article 1, sections 3, subdivisions 2, 3; 4; proposing coding for new law in Minnesota Statutes, chapters 8; 18B; 19; 84; 85; 87A; 115E; 116; 116J; 123A; 123B; 124D; 129C; 144; 144A; 145; 168; 219; 299A; 347; 473; proposing coding for new law as Minnesota Statutes, chapter 12B; repealing Minnesota Statutes 2012, sections 115A.551, subdivision 2; 116J.997; 123B.71, subdivision 1; 256.969, subdivisions 2c, 8b, 9a, 9b, 11, 13, 20, 21, 22, 26, 27, 28; 256.9695, subdivisions 3, 4; Minnesota Statutes 2013 Supplement, sections 256B.0625, subdivision 18f; 256N.26, subdivision 7.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Allen	Dorholt	Hornstein	Mahoney	Nelson	Selcer
Anzelc	Erhardt	Hortman	Mariani	Newton	Simonson
Atkins	Erickson, R.	Huntley	Marquart	Norton	Slocum
Benson, J.	Falk	Isaacson	Masin	Paymar	Sundin
Bernardy	Faust	Johnson, C.	McNamar	Pelowski	Wagenius
Bly	Fischer	Johnson, S.	Melin	Persell	Ward, J.A.
Brynaert	Freiberg	Kahn	Metsa	Poppe	Ward, J.E.
Carlson	Fritz	Laine	Moran	Radinovich	Winkler
Clark	Halverson	Lenczewski	Morgan	Rosenthal	Yarusso
Davnie	Hansen	Lien	Mullery	Savick	Spk. Thissen
Dehn, R.	Hausman	Lillie	Murphy, E.	Sawatzky	
Dill	Hilstrom	Loeffler	Murphy, M.	Schoen	

Those who voted in the negative were:

Abeler	Davids	Hackbarth	Kresha	O'Driscoll	Swedzinski
Albright	Dean, M.	Hamilton	Leidiger	O'Neill	Theis
Anderson, M.	Dettmer	Hertaus	Lohmer	Peppin	Torkelson
Anderson, P.	Drazkowski	Holberg	Loon	Petersburg	Uglem
Anderson, S.	Erickson, S.	Hoppe	Mack	Pugh	Urdahl
Barrett	Fabian	Howe	McDonald	Quam	Wills
Beard	Franson	Johnson, B.	McNamara	Runbeck	Woodard
Benson, M.	Green	Kelly	Myhra	Sanders	Zellers
Cornish	Gruenhagen	Kieffer	Newberger	Schomacker	Zerwas
Daudt	Gunther	Kiel	Nornes	Scott	

The bill was passed, as amended, and its title agreed to.

**REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION**

Murphy, E., from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Friday, April 4, 2014 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 3167, 2701 and 2397; and S. F. No. 2004.

**REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION**

Murphy, E., from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Monday, April 7, 2014 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 2180, 2658 and 3014; S. F. Nos. 1737 and 1509; and H. F. Nos. 2090, 2276, 2948, 2659, 2937, 3072 and 2318.

MOTIONS AND RESOLUTIONS

Laine moved that the name of Liebling be added as an author on H. F. No. 76. The motion prevailed.

Winkler moved that the name of Newton be added as an author on H. F. No. 605. The motion prevailed.

Bernardy moved that the name of Loeffler be added as an author on H. F. No. 1645. The motion prevailed.

Isaacson moved that the name of Wills be added as an author on H. F. No. 1887. The motion prevailed.

Dehn, R., moved that the name of Loeffler be added as an author on H. F. No. 1929. The motion prevailed.

Falk moved that the name of Loeffler be added as an author on H. F. No. 1976. The motion prevailed.

Clark moved that the name of Loeffler be added as an author on H. F. No. 2249. The motion prevailed.

Winkler moved that the name of Savick be added as an author on H. F. No. 2281. The motion prevailed.

Schoen moved that the name of Hamilton be added as an author on H. F. No. 2307. The motion prevailed.

Morgan moved that the name of Brynaert be added as an author on H. F. No. 2376. The motion prevailed.

Kahn moved that the name of Loeffler be added as an author on H. F. No. 2499. The motion prevailed.

Melin moved that the name of Freiberg be added as an author on H. F. No. 2536. The motion prevailed.

Sawatzky moved that the name of Hortman be added as an author on H. F. No. 2568. The motion prevailed.

Sawatzky moved that the name of Hortman be added as an author on H. F. No. 2693. The motion prevailed.

Hansen moved that the name of Loeffler be added as an author on H. F. No. 2798. The motion prevailed.

Hansen moved that the name of Loeffler be added as an author on H. F. No. 2908. The motion prevailed.

Kahn moved that the name of Loeffler be added as an author on H. F. No. 3228. The motion prevailed.

Fischer moved that the names of Johnson, S., and Lillie be added as authors on H. F. No. 3232. The motion prevailed.

Garofalo moved that the name of Howe be added as an author on H. F. No. 3316. The motion prevailed.

Atkins moved that the name of Dorholt be added as an author on H. F. No. 3325. The motion prevailed.

Sundin moved that H. F. No. 1984, now on the General Register, be re-referred to the Committee on Transportation Finance. The motion prevailed.

ADJOURNMENT

Murphy, E., moved that when the House adjourns today it adjourn until 2:00 p.m., Friday, April 4, 2014. The motion prevailed.

Murphy, E., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Friday, April 4, 2014.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

