

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-SECOND LEGISLATURE

THIRTY-FIRST DAY

St. Paul, Minnesota, Thursday, April 5, 2001

The Senate met at 9:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Richard B. Wiens.

The roll was called, and the following Senators answered to their names:

Anderson	Hottinger	Larson	Pappas	Scheevel
Bachmann	Johnson, Dave	Lesewski	Pariseau	Scheid
Berg	Johnson, Dean	Lessard	Pogemiller	Schwab
Berglin	Johnson, Debbie	Limmer	Price	Solon
Betzold	Kelley, S.P.	Lourey	Ranum	Stevens
Chaudhary	Kelly, R.C.	Marty	Reiter	Stumpf
Cohen	Kierlin	Metzen	Rest	Terwilliger
Day	Kinkel	Moe, R.D.	Ring	Tomassoni
Dille	Kiscaden	Murphy	Robertson	Vickerman
Fischbach	Kleis	Neuville	Robling	Wiener
Foley	Knutson	Oliver	Sabo	Wiger
Fowler	Krentz	Olson	Sams	
Higgins	Langseth	Orfield	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Senators Belanger; Frederickson; Johnson, Doug and Ourada were excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 63, 647, 346 and 509.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 2001

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 400.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 4, 2001

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 264:

H.F. No. 264: A bill for an act relating to energy; correcting names of legislative committees represented by certain members of legislative electric energy task force; amending Minnesota Statutes 2000, section 216C.051, subdivision 2.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Wolf, Jennings and Ozment have been appointed as such committee on the part of the House.

House File No. 264 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 2, 2001

Senator Metzen moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 264, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 704, 867, 1160 and 1391.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 2, 2001

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 208, 285 and 1084.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 2001

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 704: A bill for an act relating to health; creating exception from criminal rehabilitation provisions for emergency medical services personnel; amending Minnesota Statutes 2000, section 364.09.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 719, now on General Orders.

H.F. No. 867: A bill for an act relating to the suburban Hennepin regional park district; authorizing the district to set commissioners' compensation; clarifying the district's boundaries;

clarifying that meetings shall be held in conformance with the open meeting law; permitting the district to accept donations without court approval; deleting obsolete reference to condemnation procedures; authorizing the district to enter into joint powers agreements by majority board action; amending Minnesota Statutes 2000, sections 383B.70; 383B.703; 398.06; and 398.09; repealing Minnesota Statutes 2000, sections 383B.73, subdivision 2; and 383B.74.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 646, now on General Orders.

H.F. No. 1160: A bill for an act relating to health; changing the frequency with which physician assistant delegated prescribing activities must be reviewed; amending Minnesota Statutes 2000, sections 147A.18, subdivision 1; and 147A.20.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1127, now on General Orders.

H.F. No. 1391: A resolution urging the United States Postal Service to create a postage stamp reproducing Eric Enstrom's photograph "Grace."

Referred to the Committee on Agriculture, General Legislation and Veterans Affairs.

H.F. No. 208: A resolution urging authorization of funding for modernization of waterways.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 285: A bill for an act relating to liens; regulating agricultural liens; revising and consolidating crop liens and agricultural liens on livestock; amending Minnesota Statutes 2000, section 514.19; proposing coding for new law in Minnesota Statutes, chapter 514; repealing Minnesota Statutes 2000, sections 514.23; 514.24; 514.25; 514.26; 514.27; 514.28; 514.29; 514.30; 514.31; 514.32; 514.33; 514.34; 514.62; 514.63; 514.65; 514.66; 514.92; 514.950; 514.952; 514.954; 514.956; 514.958; 514.959; 514.960; 557.12; and 559.2091; Minnesota Rules, parts 8271.0010; 8271.0020; 8271.0030; 8271.0040; 8271.0050; 8271.0060; 8271.0070; 8271.0080; 8271.0090; 8271.0100; 8271.0200; 8271.0300; and 8271.0350.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 339, now on General Orders.

H.F. No. 1084: A bill for an act relating to financial institutions; modifying investment authority and recordkeeping requirements; regulating certain rates, charges, fees, and disclosures; exempting certain unstaffed after-hour drop boxes from detached facilities regulation; amending Minnesota Statutes 2000, sections 47.10, subdivision 1; 47.51; 48.03, subdivisions 1 and 2; 48.16; 48.61, subdivision 7; 56.04; 58.02, by adding a subdivision; 58.14, subdivision 5; and 58.15, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 58; repealing Minnesota Statutes 2000, section 48.03, subdivision 3; and 58.135.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1066, now on General Orders.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1004. The motion prevailed.

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1271: A bill for an act relating to commerce; regulating claims against the recovery portion of the real estate education, research, and recovery fund; requiring accelerated claims payment under certain circumstances; amending Minnesota Statutes 2000, section 82.34, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 19 and 21, delete "\$7,500" and insert "\$50,000"

Page 2, line 23, delete "14" and insert "7"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1752: A bill for an act relating to liquor; authorizing the use of machines to premix and dispense intoxicating liquor; amending Minnesota Statutes 2000, section 340A.508, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 340A.404, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISION; CITY OF MINNEAPOLIS.] (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, and the State Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, and the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, and the Brave New Institute located at 2605 Hennepin Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

Sec. 2. Minnesota Statutes 2000, section 340A.404, subdivision 2b, is amended to read:

Subd. 2b. [SPECIAL PROVISION; CITY OF ST. PAUL.] The city of St. Paul may issue an on-sale intoxicating liquor license to the Fitzgerald Theatre, the Great American History Theater at 30 East 10th Street, and the Brave New Workshop at the Palace Theater at 17 West Seventh Place, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The license authorizes sales on all days of the week to holders of tickets for performances presented by the theatre and to members of the nonprofit corporation holding the license and to their guests.

Sec. 3. Minnesota Statutes 2000, section 340A.508, is amended by adding a subdivision to read:

Subd. 4. [CERTAIN PREMIX AND DISPENSING MACHINES.] Nothing in this section shall be deemed to prohibit the use of a machine by an on-sale intoxicating liquor licensee to premix and dispense frozen or iced cocktails provided that the machine is emptied and cleaned on a daily basis. A machine described in this subdivision need not be visible to the consuming public.

Sec. 4. [CITY OF BLAINE; LIQUOR LICENSES.]

The city of Blaine may issue six on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized by this section.

Sec. 5. [CITY OF ELK RIVER; LIQUOR LICENSES.]

The city of Elk River may issue six on-sale liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized by this section.

Sec. 6. [CITY OF MOORHEAD; LIQUOR LICENSES.]

The city of Moorhead may issue six on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized under this section.

Sec. 7. [CITY OF ST. LOUIS PARK; LIQUOR LICENSES.]

The city of St. Louis Park may issue 12 on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized by this section.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective upon approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021. Section 2 is effective upon approval by the St. Paul city council and compliance with Minnesota Statutes, section 645.021. Section 3 is effective the day following final enactment. Section 4 is effective upon approval by the Blaine city council and compliance with Minnesota Statutes, section 645.021. Section 5 is effective upon approval by the Elk River city council and compliance with Minnesota Statutes, section 645.021. Section 6 is effective upon approval by the Moorhead city council and compliance with Minnesota Statutes, section 645.021. Section 7 is effective upon approval by the St. Louis Park city council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to liquor; authorizing on-sale intoxicating liquor licenses in Minneapolis, St. Paul, Blaine, Elk River, Moorhead, and St. Louis Park; clarifying regulations with respect to premix machines; amending Minnesota Statutes 2000, sections 340A.404, subdivisions 2, 2b; 340A.508, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Solon from the Committee on Commerce, to which was re-referred

S.F. No. 796: A bill for an act relating to health; establishing certain patient rights and protections; regulating coverages; specifying the duties of certain carriers and providers; establishing remedies; amending Minnesota Statutes 2000, sections 62A.60; 62J.71, subdivision 3; 62J.80; 62M.05, subdivisions 3a and 3b; 62M.07; 62M.09, subdivisions 2, 3, and 6; 62Q.56; 62Q.58, subdivision 3, and by adding subdivisions; and 62Q.73, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 62Q; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2000, section 62Q.53.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 62A.60, is amended to read:

62A.60 [RETROACTIVE DENIAL OF EXPENSES.]

In cases where the subscriber or insured is liable for costs beyond applicable copayments or deductibles, no insurer may retroactively deny payment to a person who is covered when the services are provided for health care services that are otherwise covered, if the insurer or its representative failed to provide prior or concurrent review or authorization for the expenses when required to do so under the policy, plan, or certificate. ~~If prior or concurrent review or authorization was provided by the insurer or its representative, and the preexisting condition limitation provision, the general exclusion provision and any other coinsurance, or other policy requirements have been met, the insurer may not deny payment for the authorized service or time period except in cases where fraud or substantive misrepresentation occurred.~~ A health carrier that has given preauthorization approval for a service or treatment may not subsequently deny payment for that service or treatment except in cases of fraud. At the time a decision regarding the medical necessity of a service or treatment is communicated to an enrollee in accordance with section 62M.05, a health carrier shall also communicate whether the requested service or treatment is a covered benefit.

Sec. 2. Minnesota Statutes 2000, section 62J.71, subdivision 3, is amended to read:

Subd. 3. [RETALIATION PROHIBITED.] No person, health plan company, or other organization may take retaliatory action against a health care provider solely on the grounds that the provider:

(1) refused to enter into an agreement or provide services or information in a manner that is prohibited under this section or took any of the actions listed in subdivision 1;

(2) disclosed accurate information about whether a health care service or treatment is covered by an enrollee's health plan company, health insurer, or health coverage plan;

(3) discussed diagnostic, treatment, or referral options that are not covered or are limited by the enrollee's health plan company, health insurer, or health coverage plan;

(4) criticized coverage of the enrollee's health plan company, health insurer, or health coverage plan; ~~or~~

(5) expressed personal disagreement with a decision made by a person, organization, or health care provider regarding treatment or coverage provided to a patient of the provider, or assisted or advocated for the patient in seeking reconsideration of such a decision, provided the health care provider makes it clear that the provider is acting in a personal capacity and not as a representative of or on behalf of the entity that made the decision;

(6) disclosed, in good faith, information relating to the care, services, or conditions affecting an enrollee to an appropriate public agency, private accreditation body, or management personnel of the health plan company as otherwise allowed by law;

(7) initiated, cooperated with, or otherwise participated in a utilization review under chapter 62M or in an investigation or proceeding by a public agency;

(8) provided, as otherwise allowed by law, testimony, evidence, records, or other assistance to an enrollee or public agency;

(9) advocated on behalf of an enrollee who brings a claim against a health carrier or otherwise participated in a claim brought against a health carrier; or

(10) referred a patient for a second opinion under section 62Q.59.

Sec. 3. Minnesota Statutes 2000, section 62J.80, is amended to read:

62J.80 [RETRALIATION AGAINST ENROLLEE OR PATIENT.]

A health plan company or health care provider shall not retaliate or take adverse action against an enrollee or patient who, in good faith, makes a complaint against a health plan company or health care provider, participates in a utilization review under chapter 62M, or obtains a second opinion under section 62Q.59. If retaliation is suspected, the executive director of a health-related licensing board as defined in section 214.01, subdivision 2, may report it to the appropriate regulatory authority.

Sec. 4. Minnesota Statutes 2000, section 62M.05, subdivision 3a, is amended to read:

Subd. 3a. [STANDARD REVIEW DETERMINATION.] (a) Notwithstanding subdivision 3b, an initial determination on all requests for utilization review must be communicated to the provider and enrollee in accordance with this subdivision within ten business days of the request, provided that all information reasonably necessary to make a determination on the request has been made available to the utilization review organization.

(b) When an initial determination is made to certify, notification must be provided promptly by telephone to the provider. The utilization review organization shall send written notification to the provider or shall maintain an audit trail of the determination and telephone notification. For purposes of this subdivision, "audit trail" includes documentation of the telephone notification, including the date; the name of the person spoken to; the enrollee; the service, procedure, or admission certified; and the date of the service, procedure, or admission. If the utilization review organization indicates certification by use of a number, the number must be called the "certification number."

(c) When an initial determination is made not to certify, notification must be provided by telephone within one working day after making the determination to the attending health care professional and hospital and a written notification must be sent to the hospital, attending health care professional, and enrollee. The written notification must include the principal reason or reasons for the determination and the process for initiating an appeal of the determination. Upon request, the utilization review organization shall provide the provider or enrollee with the criteria used to determine the necessity, appropriateness, and efficacy of the health care service and identify the database, professional treatment parameter, or other basis for the criteria. Reasons for a determination not to certify may include, among other things, the lack of adequate information to certify after a reasonable attempt has been made to contact the provider or enrollee.

(d) When an initial determination is made not to certify, the written notification must inform the enrollee and the attending health care professional of the right to submit an appeal to the internal appeal process described in section 62M.06 and the procedure for initiating the internal appeal and of the right to obtain a second opinion under section 62Q.59.

Sec. 5. Minnesota Statutes 2000, section 62M.05, subdivision 3b, is amended to read:

Subd. 3b. [EXPEDITED REVIEW DETERMINATION.] (a) An expedited initial determination must be utilized if the attending health care professional believes that an expedited determination is warranted.

(b) Notification of an expedited initial determination to either certify or not to certify must be provided to the hospital, the attending health care professional, and the enrollee as expeditiously as the enrollee's medical condition requires, but no later than 72 hours from the initial request. When an expedited initial determination is made not to certify, the utilization review organization must also notify the enrollee and the attending health care professional of the right to submit an appeal to the expedited internal appeal as described in section 62M.06 and the procedure for initiating an internal expedited appeal and of the right to obtain a second opinion under section 62Q.59.

Sec. 6. Minnesota Statutes 2000, section 62M.07, is amended to read:

62M.07 [PRIOR AUTHORIZATION OF SERVICES.]

(a) Utilization review organizations conducting prior authorization of services must have and follow written standards that meet at a minimum the following requirements:

(1) written procedures and criteria used to determine whether care is appropriate, reasonable, or medically necessary;

(2) a system for providing prompt notification of its determinations to enrollees and providers and for notifying the provider, enrollee, or enrollee's designee of appeal procedures under clause (4);

(3) compliance with section 62M.05, subdivisions 3a and 3b, regarding time frames for approving and disapproving prior authorization requests;

(4) written procedures for appeals of denials of prior authorization which specify the responsibilities of the enrollee and provider, and which meet the requirements of sections 62M.06 and 72A.285, regarding release of summary review findings; and

(5) procedures to ensure confidentiality of patient-specific information, consistent with applicable law.

(b) No utilization review organization, health plan company, or claims administrator may conduct or require prior authorization of emergency confinement or emergency treatment. The enrollee or the enrollee's authorized representative may be required to notify the health plan company, claims administrator, or utilization review organization as soon after the beginning of the emergency confinement or emergency treatment as reasonably possible.

(c) Each time a utilization review organization, health plan company, or claims administrator determines that care is not appropriate, reasonable, or medically necessary, using the written procedures required under paragraph (a), clause (1), the utilization review organization, health plan company, or claims administrator must provide a copy of the written procedures to the enrollee seeking the care.

Sec. 7. [62Q.535] [MEDICALLY NECESSARY CARE.]

(a) For purposes of coverage under a health plan, "medically necessary care" means diagnostic testing, preventive services, and health care services that are appropriate, in terms of types, frequency, level, setting, and duration, to the enrollee's diagnosis or condition. Medically necessary care must be consistent with generally accepted practice parameters, as determined by licensed health care providers in the same or similar general specialty as typically manages the condition, procedure, or treatment at issue and must:

(1) help restore, establish, maintain, or improve the enrollee's health condition or function;

(2) prevent deterioration of the enrollee's health condition or function; or

(3) prevent the reasonably likely onset of a health problem or detect an incipient problem.

(b) For purposes of this section, "health plan" has the meaning given in section 62Q.01, subdivision 3, but includes the coverages listed in section 62A.011, subdivision 3, clauses (7) and (10).

Sec. 8. Minnesota Statutes 2000, section 62Q.56, is amended to read:

62Q.56 [CONTINUITY OF CARE.]

Subdivision 1. [CHANGE IN HEALTH CARE PROVIDER.] (a) If enrollees are required to access services through selected primary care providers for coverage, the health plan company shall prepare a written plan that provides for continuity of care in the event of contract termination between the health plan company and any of the contracted primary care providers or general hospital providers. The written plan must explain:

(1) how the health plan company will inform affected enrollees, insureds, or beneficiaries about termination at least 30 days before the termination is effective, if the health plan company or health care network cooperative has received at least 120 days' prior notice;

(2) how the health plan company will inform the affected enrollees about what other participating providers are available to assume care and how it will facilitate an orderly transfer of its enrollees from the terminating provider to the new provider to maintain continuity of care;

(3) the procedures by which enrollees will be transferred to other participating providers, when special medical needs, special risks, or other special circumstances, such as cultural or language barriers, require them to have a longer transition period or be transferred to nonparticipating providers;

(4) who will identify enrollees with special medical needs or at special risk and what criteria will be used for this determination; and

(5) how continuity of care will be provided for enrollees identified as having special needs or at special risk, and whether the health plan company has assigned this responsibility to its contracted primary care providers.

(b) ~~If the contract termination was not for cause, enrollees can request a referral to the terminating provider for up to 120 days if they have special medical needs or have other special circumstances, such as cultural or language barriers. The health plan company can require medical records and other supporting documentation in support of the requested referral. Each request for referral to a terminating provider shall be considered by the health plan company on a case-by-case basis. must be notified of the change and informed of their right to continue care with the terminating provider. A health plan company must continue to provide coverage for all covered services provided by the terminating provider to an enrollee if, at the time of termination, the provider is providing a covered service to the enrollee for a current course of treatment and the enrollee meets one of the following conditions:~~

(1) has a life-threatening physical or mental condition;

(2) has a physical or mental disability, a chronic health care condition in an acute phase of the condition, or developmental disability; or

(3) has entered the second trimester of pregnancy prior to the time of enrollment.

At the request of the enrollee, coverage for the services provided by the terminating provider shall continue until the end of the treatment or for 180 days, whichever is shorter, except in the case of a terminally ill hospice-eligible enrollee.

(c) If the contract termination was for cause, enrollees must be notified of the change and transferred to participating providers in a timely manner so that health care services remain available and accessible to the affected enrollees. The health plan company is not required to refer an enrollee back to the terminating provider if the termination was for cause.

Subd. 2. [CHANGE IN HEALTH PLANS.] (a) ~~The A health plan company shall prepare a written plan that provides a process for provide coverage determinations for continuity of care for a new enrollees with special needs, special risks, or other special circumstances, such as cultural or language barriers, enrollee who request requests continuity of care with their the enrollee's former~~

provider for up to 120 days. The written plan must explain the criteria that will be used for determining special needs cases, and how continuity of care will be provided 180 days if at the time of enrollment the enrollee is receiving a current course of treatment from the former provider and meets one of the conditions described in subdivision 1, paragraph (b).

(b) This subdivision applies only to group coverage and continuation and conversion coverage, and applies only to changes in health plans made by the employer.

Subd. 2a. [LIMITATIONS.] (a) Subdivisions 1 and 2 apply only if the enrollee's health care provider agrees to:

(1) accept as payment in full the health plan company's reimbursement rate for in-network providers for the same or a similar service;

(2) adhere to the health plan company's preauthorization requirements; and

(3) provide the health plan company with all necessary medical information related to the care provided to the enrollee.

(b) Nothing in this section requires a health plan company to provide coverage for a health care service or treatment that is not covered under the enrollee's health plan.

Subd. 3. [DISCLOSURES.] The written plans required under this section must be made available upon request to enrollees or prospective enrollees.

Sec. 9. Minnesota Statutes 2000, section 62Q.58, is amended by adding a subdivision to read:

Subd. 1a. [DEFINITION; SPECIALIST.] For purposes of this section, "specialist" means, with respect to a condition or disease, a health care provider or health care facility that has adequate expertise through appropriate training and practical clinical experience, including appropriate pediatric expertise in the case of a child, to provide high-quality care in treating the unique condition or disease of the particular patient.

Sec. 10. Minnesota Statutes 2000, section 62Q.58, subdivision 3, is amended to read:

Subd. 3. [DISCLOSURE.] Information regarding referral procedures under this section, including the application process and criteria and conditions for a standing referral, must be included in member contracts or certificates of coverage and must be provided to an enrollee or prospective enrollee by a health plan company upon request.

Sec. 11. [62Q.59] [PROMPT EVALUATION; COVERAGE OF SECOND OPINION.]

A health plan company shall promptly evaluate the treatment needs of any enrollee who is seeking treatment for a problem related to a medical condition, including mental health and chemical dependency conditions. If the health plan company, or a health care provider acting on its behalf, determines that a particular type of treatment is unnecessary, the enrollee is immediately entitled to a second opinion paid for by the health plan company from a health care provider who is qualified in the diagnosis and treatment of the condition and who is chosen by the enrollee, regardless of whether the provider has a contract with the enrollee's health plan company. The health plan company shall promptly notify the enrollee of whether any treatment recommended by the health care provider performing a second opinion shall be covered. For purposes of this section, "second opinion" means an opinion rendered by a health care provider qualified in the diagnosis and treatment of the problem who is physically available to examine the enrollee.

Sec. 12. [62Q.675] [ACCESS TO EVIDENCE OF COVERAGE AND DRUG FORMULARY.]

Subdivision 1. [EVIDENCE OF COVERAGE.] A health plan company shall provide to a prospective enrollee, upon request, a specimen copy of the certificate of coverage, subscriber contract, or other evidence of coverage required to be filed with the commissioner of commerce or health under chapter 62A, 62C, 62D, or 62N.

Subd. 2. [DRUG FORMULARY.] (a) A health plan company that provides a prescription drug benefit and maintains one or more drug formularies shall provide an enrollee or prospective enrollee, upon request:

(1) a copy of the most current list of prescription drugs, organized by major therapeutic category, on the health plan company's formulary; and

(2) an indication of whether any drugs on the list are preferred over other listed drugs.

(b) If a health plan company maintains more than one drug formulary for a particular health plan, the health plan company shall notify the requesting enrollee or prospective enrollee that a choice of formulary lists is available.

Sec. 13. [62Q.676] [CHANGE IN CONTENT OF DRUG FORMULARY.]

A health plan that provides coverage for prescription drugs may not limit or exclude coverage of a prescription drug for an enrollee during the term of the contract based on the removal of the drug, during the term of the contract, from a prescription drug formulary used under the health plan, if the following conditions are met:

(1) the health plan had, during the contract period, covered the drug for that enrollee to treat that enrollee's medical condition;

(2) the health care provider prescribing the drug for that enrollee continues to prescribe the drug for the enrollee; and

(3) the drug is considered safe and effective for treating the enrollee's medical condition.

Sec. 14. Minnesota Statutes 2000, section 62Q.73, subdivision 7, is amended to read:

Subd. 7. [STANDARDS OF REVIEW.] (a) For an external review of any issue in an adverse determination that does not require a medical necessity determination, the external review must be based on whether the adverse determination was in compliance with the enrollee's health benefit plan.

(b) For an external review of any issue in an adverse determination by a health plan company licensed under chapter 62D that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in Minnesota Rules, part 4685.0100, subpart 9b under section 62Q.535.

~~(c) For an external review of any issue in an adverse determination by a health plan company, other than a health plan company licensed under chapter 62D, that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in section 62Q.53, subdivision 2.~~

Sec. 15. [REPEALER.]

Minnesota Statutes 2000, section 62Q.53, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective January 1, 2002, and apply to contracts issued or renewed on or after that date."

Delete the title and insert:

"A bill for an act relating to health; establishing certain patient rights and protections; regulating coverages; amending Minnesota Statutes 2000, sections 62A.60; 62J.71, subdivision 3; 62J.80; 62M.05, subdivisions 3a, 3b; 62M.07; 62Q.56; 62Q.58, subdivision 3, by adding a subdivision; 62Q.73, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2000, section 62Q.53."

And when so amended the bill be re-referred to the Committee on Finance without recommendation. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 974: A bill for an act relating to local government; adding an exception to the local public officer's conflict of interest law; amending Minnesota Statutes 2000, section 471.88, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 2000, section 471.88, is amended by adding a subdivision to read:

Subd. 18. [SMALL CITIES IN ST. LOUIS COUNTY; CERTAIN FEDERAL FUNDING PROGRAMS.] If a city with a population of 2,000 or less in St. Louis county administers a loan or grant program with community development block grant funds or federal economic development administration funds for property owners within the geographic boundaries of the city, the city may make a grant or loan from these funds to a public officer of the city who applies, if the public officer first discloses, as part of the official minutes of a meeting of the city, that the public officer has applied for the funds and the public officer abstains from voting on the public officer's application.

Sec. 3. [LOCAL APPROVAL NOT REQUIRED.]

Section 2 does not require local approval because it enables certain cities in St. Louis county to exercise authority not granted by general law and thus fits in the class in Minnesota Statutes, section 645.023, subdivision 1, clause (a)."

Amend the title as follows:

Page 1, line 2, delete "an exception" and insert "exceptions"

Page 1, line 5, delete "a subdivision" and insert "subdivisions"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 947: A bill for an act relating to transportation; modifying certain state contract procedures; providing for posting highway construction and maintenance bids or bid records electronically or over the Internet; modifying seasonal highway weight limitations; making clarifying changes; amending Minnesota Statutes 2000, sections 16C.05, subdivision 2; 16C.06, subdivisions 1, 2; 16C.08, subdivision 2; 160.02, subdivision 7, by adding a subdivision; 161.32, subdivisions 1, 1b, 1e; 169.825, subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 3 and 4, delete sections 5 and 6

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, line 10, delete everything before "161.32"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1746: A bill for an act relating to public administration; providing for design-build contracts; providing for exempt rules; amending Minnesota Statutes 2000, sections 16B.31, subdivision 1; 16B.33, subdivision 1, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 16C.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, after "may" insert ":

(1)"

Page 2, line 2, before the period, insert " ; or

(2) preselect a contractor and negotiate a guaranteed maximum price, with optional bidding of subcontracts and sharing of savings, and award a preselected general construction contract on the basis of the selection criteria provided in section 16C.091.

(c) The commissioner may require a designer and a preselected contractor, by contract, to cooperate and function as a team in the design, planning, and scheduling and construction process. Nothing in such a contract may make the designer a subcontractor to the contractor or limit the designer's independent obligations to the commissioner as owner.

(d) For projects undertaken by the University of Minnesota, the powers granted in paragraphs (b) and (c) may be exercised by the board of regents. For projects undertaken by the Minnesota state colleges and universities system, the powers granted in paragraphs (b) and (c) may be exercised by its trustees"

Page 2, delete line 3 and insert:

"(e) Paragraphs (b), (c), and (d) expire August 1, 2004."

Page 3, line 5, after "CONTRACTS" insert " ; PRESELECTION CONSTRUCTION CONTRACTS"

Page 3, line 11, after "contract" insert "or a preselection construction contract"

Page 4, after line 23, insert:

"(m) "Preselected contractor" means a contractor who proposes to construct a project in accordance with the procedures of this section.

(n) "Preselection construction contract" means a contract for construction of a project between a preselected contractor and the commissioner, within a maximum guaranteed not-to-exceed price. The contract may require competitive bidding of suitable components, with cost savings shared with the state receiving not less than one-half of all savings. A preselection construction contract may be conditioned upon later refinements in scope and price, and may permit the commissioner to make changes in the scope of the project and the maximum price without invalidating the preselection construction contract."

Page 4, line 24, delete "(m)" and insert "(o)"

Page 4, line 28 delete "(n)" and insert "(p)"

Page 4, line 32, delete "(o)" and insert "(q)"

Page 4, line 36, after "may" insert ":

(1)"

Page 5, line 3, after "(f)" insert "; and

(2) preselect a contractor and award a not-to-exceed preselection construction contract without competitive bidding, but with competitive bidding of subcontracts and sharing in cost savings thereon if the conditions of paragraph (c) are met"

Page 5, line 12, after "design-build" insert "or contractor preselection"

Page 5, line 14, delete "design-build"

Page 5, line 17, after "contract" insert "or preselection construction contract"

Page 6, line 6, after "contracts" insert "or preselection of contracts. The University of Minnesota and the Minnesota state colleges and universities shall either jointly prepare and adopt the rules with the commissioner, or shall adopt similar rules"

Page 11, after line 11, insert:

"Subd. 10. [CONTRACTOR PRESELECTION.] (a) A request for proposals must be prepared for each preselection construction contract. The design criteria professional selected for the project shall advise and assist in the preparation of the request for proposals. The request for proposals must contain, at a minimum, the elements set forth in subdivision 6, paragraph (a), clauses (1), (2), (3), (6), (7), (8), (9), and (11), plus the proposed terms and conditions for the preselection construction contract and the preliminary scope and preliminary design or schematic design developed by the design criteria professional. Notice of the requests for proposals must be advertised in the same manner in which bids are solicited under section 16C.06, subdivision 3, paragraph (a).

(b) Every contractor response seeking preselection must include:

(1) a construction schedule;

(2) the contractor's qualifications for the project; and

(3) the maximum guaranteed price for completion of the project, if selected.

Proposals must be sealed and may not be opened until expiration of the time established for making proposals as set forth in the request for proposals. The commissioner may require each contractor to submit with its proposal a cash deposit, letter of credit, or bid bond not to exceed five percent of the maximum cost of the preselection construction contract, as established by the contractor. If the proposal is accepted but the contractor fails without good cause to execute the contract, the deposit or bond is forfeited in an amount not to exceed the difference between the proposal in question and the next highest proposal.

(c) The commissioner shall accept the proposal that best meets the weighted evaluation criteria set forth in the request for proposal. Selection according to this method may result in an award not being made to the lowest cost proposal. The perceived benefits of the higher priced proposal must merit the additional cost, and the rationale for such a departure must be stated at the time of the award. The commissioner shall evaluate contractor's experience, technical competence, capability to perform, the past performance of the contractor, and other appropriate facts submitted by the contractor in response to the request for proposals. The board may require clarification or further information from contractors to ensure conformance of proposals with the preliminary or schematic design set forth in the request for proposals. If the project is within the capitol area, the capitol area architectural and planning board shall participate in the evaluation processes."

Page 11, line 12, delete "10" and insert "11"

Amend the title as follows:

Page 1, line 3, after "contracts" insert "and preselection construction contracts"

And when so amended the bill do pass and be re-referred to the Committee on Capital Investment. Amendments adopted. Report adopted.

Senator Pappas from the Committee on Education, to which was referred

S.F. No. 750: A bill for an act relating to education; requiring parents and providers to evaluate appropriate programs and services before providing amphetamine prescription drugs to children with attention deficit disorder or attention deficit hyperactivity disorder; clarifying the definition of educational neglect to indicate that refusing to consent to a special education evaluation does not constitute educational neglect; determining the number of Minnesota school children diagnosed with attention deficit disorder or attention deficit hyperactivity disorder currently taking amphetamine prescription drugs; appropriating money; amending Minnesota Statutes 2000, sections 125A.027, subdivision 2; 260A.01; and 260C.163, subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 121A.41, subdivision 10, is amended to read:

Subd. 10. [SUSPENSION.] "Suspension" means an action by the school administration, under rules promulgated by the school board, prohibiting a pupil from attending school for a period of no more than ten school days. If a suspension is longer than five days, the suspending administrator must provide the superintendent with a reason for the longer suspension. This definition does not apply to dismissal from school for one school day or less, except as provided in federal law for a student with a disability. Each suspension action may include a readmission plan. The readmission plan shall include, where appropriate, a provision for implementing alternative educational services upon readmission and may not be used to extend the current suspension. Consistent with section 125A.09, subdivision 3, the readmission plan must not obligate a parent to provide a sympathomimetic medication for the parent's child as a condition of readmission. The school administration may not impose consecutive suspensions against the same pupil for the same course of conduct, or incident of misconduct, except where the pupil will create an immediate and substantial danger to self or to surrounding persons or property, or where the district is in the process of initiating an expulsion, in which case the school administration may extend the suspension to a total of 15 days. In the case of a student with a disability, the student's individual education plan team must meet immediately but not more than ten school days after the date on which the decision to remove the student from the student's current education placement is made. The individual education plan team shall at that meeting: conduct a review of the relationship between the child's disability and the behavior subject to disciplinary action; and determine the appropriateness of the child's education plan.

The requirements of the individual education plan team meeting apply when:

- (1) the parent requests a meeting;
- (2) the student is removed from the student's current placement for five or more consecutive days; or
- (3) the student's total days of removal from the student's placement during the school year exceed ten cumulative days in a school year. The school administration shall implement alternative educational services when the suspension exceeds five days. A separate administrative conference is required for each period of suspension.

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

Sec. 2. Minnesota Statutes 2000, section 122A.18, is amended by adding a subdivision to read:

Subd. 2b. [SPECIAL EDUCATION INFORMATION.] The board of teaching must review and report to the education committees of the 2002 legislature on rules that require colleges and universities approved by the board of teaching to prepare persons for classroom teacher licensure

to include in their teacher preparation programs information on special education laws, teaching strategies, and positive behavior interventions.

Sec. 3. Minnesota Statutes 2000, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT REVENUE.] A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for in-service education for programs under section 120B.22, subdivision 2, for staff development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes, preservice and in-service education for special education professionals and paraprofessionals, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs. With the exception of amounts reserved for staff development from revenues allocated directly to school sites, the board must initially allocate 50 percent of the reserved revenue to each school site in the district on a per teacher basis, which must be retained by the school site until used. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue must be used to make grants to school sites for best practices methods. A grant may be used for any purpose authorized under section 120B.22, subdivision 2, 122A.60, or for the costs of curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, substitute teachers for staff development purposes, and other staff development efforts, and determined by the site professional development team. The site professional development team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

Sec. 4. Minnesota Statutes 2000, section 125A.08, is amended to read:

125A.08 [SCHOOL DISTRICT OBLIGATIONS.]

(a) As defined in this section, every district must ensure the following:

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individual education plan team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individual education plan. The individual education plan team shall consider and may authorize services covered by medical assistance according to section 256B.0625, subdivision 26. The student's needs and the special education instruction and services to be provided must be agreed upon through the development of an individual education plan. The plan must address the student's need to develop skills to live and work as independently as possible within the community. The individual education plan team must consider positive behavioral interventions, strategies, and supports that address behavior for children with attention deficit disorder or attention deficit hyperactivity disorder. By grade 9 or age 14, the plan must address the student's needs for transition from secondary services to post-secondary education and training, employment, community participation, recreation, and leisure and home living. In developing the plan, districts must inform parents of the full range of transitional goals and related services that should be considered. The plan must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) eligibility and needs of children with a disability are determined by an initial assessment or reassessment, which may be completed using existing data under United States Code, title 20, section 33, et seq.;

(5) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(6) in accordance with recognized professional standards, testing and evaluation materials, and procedures used for the purposes of classification and placement of children with a disability are selected and administered so as not to be racially or culturally discriminatory; and

(7) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

(b) For paraprofessionals employed to work in programs for students with disabilities, the school board in each district shall ensure that:

(1) before or immediately upon employment, each paraprofessional develops sufficient knowledge and skills in emergency procedures, building orientation, roles and responsibilities, confidentiality, vulnerability, and reportability, among other things, to begin meeting the needs of the students with whom the paraprofessional works;

(2) annual training opportunities are available to enable the paraprofessional to continue to further develop the knowledge and skills that are specific to the students with whom the paraprofessional works, including understanding disabilities, following lesson plans, and implementing follow-up instructional procedures and activities; and

(3) a districtwide process obligates each paraprofessional to work under the ongoing direction of a licensed teacher and, where appropriate and possible, the supervision of a school nurse.

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

Sec. 5. Minnesota Statutes 2000, section 125A.09, subdivision 3, is amended to read:

Subd. 3. **[INITIAL ACTION; PARENT CONSENT.]** (a) The district must not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to subdivision 6 at the district's initiative.

(b) A parent, after consulting with health care, education, or other professional providers, may agree or disagree to provide the parent's child with sympathomimetic medications unless section 144.344 applies.

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

Sec. 6. Minnesota Statutes 2000, section 260A.01, is amended to read:

260A.01 **[TRUANCY PROGRAMS AND SERVICES.]**

(a) The programs in this chapter are designed to provide a continuum of intervention and services to support families and children in keeping children in school and combating truancy and educational neglect. School districts, county attorneys, and law enforcement may establish the programs and coordinate them with other community-based truancy services in order to provide

the necessary and most effective intervention for children and their families. This continuum of intervention and services involves progressively intrusive intervention, beginning with strong service-oriented efforts at the school and community level and involving the court's authority only when necessary.

(b) Consistent with section 125A.09, subdivision 3, a parent's refusal to provide the parent's child with sympathomimetic medications does not constitute educational neglect.

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

Sec. 7. Minnesota Statutes 2000, section 260C.163, subdivision 11, is amended to read:

Subd. 11. [PRESUMPTIONS REGARDING TRUANCY OR EDUCATIONAL NEGLECT.]
(a) A child's absence from school is presumed to be due to the parent's, guardian's, or custodian's failure to comply with compulsory instruction laws if the child is under 12 years old and the school has made appropriate efforts to resolve the child's attendance problems; this presumption may be rebutted based on a showing by clear and convincing evidence that the child is habitually truant. A child's absence from school without lawful excuse, when the child is 12 years old or older, is presumed to be due to the child's intent to be absent from school; this presumption may be rebutted based on a showing by clear and convincing evidence that the child's absence is due to the failure of the child's parent, guardian, or custodian to comply with compulsory instruction laws, sections 120A.22 and 120A.24.

(b) Consistent with section 125A.09, subdivision 3, a parent's refusal to provide the parent's child with sympathomimetic medications does not constitute educational neglect.

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

Sec. 8. Minnesota Statutes 2000, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a

child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.09, subdivision 3;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance;

(7) "medical neglect" as defined in section 260C.007, subdivision 4, clause (5);

(8) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or

(9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(d) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825. Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Actions which are not reasonable and moderate include, but are not limited to, any of the following that are done in anger or without regard to the safety of the child:

(1) throwing, kicking, burning, biting, or cutting a child;

(2) striking a child with a closed fist;

(3) shaking a child under age three;

(4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;

(5) unreasonable interference with a child's breathing;

(6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

(7) striking a child under age one on the face or head;

(8) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances; or

(9) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining.

(e) "Report" means any report received by the local welfare agency, police department, or county sheriff pursuant to this section.

(f) "Facility" means a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245B; or a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(g) "Operator" means an operator or agency as defined in section 245A.02.

(h) "Commissioner" means the commissioner of human services.

(i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

(j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(k) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(l) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury.

(m) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates, which are not injurious to the child's health, welfare, and safety.

Sec. 9. [STUDY; APPROPRIATION.]

\$50,000 is appropriated from the general fund in fiscal year 2002 to the commissioner of children, families, and learning for the purpose of contracting with a qualified expert to determine and report, consistent with Minnesota Statutes, chapter 13, the number and overall incidence rate of Minnesota children ages three to 18, by age, grade level, gender, and race, diagnosed with attention deficit disorder (ADD) or attention deficit hyperactivity disorder (ADHD) currently taking sympathomimetic medications such as Ritalin. In preparing the report, the contractor also must determine the number and overall incidence rate of children not identified with ADD or ADHD currently taking sympathomimetic medications such as Ritalin. The contractor is encouraged to examine the number of children who take sympathomimetic medications at home and not at school, the previous interventions tried with children taking sympathomimetic medications, the types of practitioners who prescribe the sympathomimetic medications, and what pressures families have experienced in terms of providing their children with sympathomimetic medications. The commissioner must submit the report to the education committees of the legislature by February 15, 2002.

[EFFECTIVE DATE.] This section is effective July 1, 2001."

Delete the title and insert:

"A bill for an act relating to education; requiring evaluation of programs and services for children with attention deficit disorder or attention deficit hyperactivity disorder; clarifying the definition of educational neglect; determining the number of Minnesota children diagnosed with attention deficit disorder or attention deficit hyperactivity disorder currently taking

sympathomimetic medications; appropriating money; amending Minnesota Statutes 2000, sections 121A.41, subdivision 10; 122A.18, by adding a subdivision; 122A.61, subdivision 1; 125A.08; 125A.09, subdivision 3; 260A.01; 260C.163, subdivision 11; 626.556, subdivision 2."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Pappas from the Committee on Education, to which was referred

S.F. No. 1329: A bill for an act relating to education; specifying student conduct as grounds for dismissal or removal from class; amending Minnesota Statutes 2000, sections 121A.45, subdivision 2; 121A.61, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 17 and 18, delete the new language

Page 1, line 19, delete the new language and insert ", the ability of school personnel to perform their duties, or school sponsored extracurricular activities" and reinstate the stricken language

Page 1, lines 20 to 22, delete the new language

Page 1, after line 24, insert:

"Sec. 2. Minnesota Statutes 2000, section 121A.45, is amended by adding a subdivision to read:

Subd. 3. [PARENT NOTIFICATION AND MEETING.] A school district must provide telephone or written notification to the parent or legal guardian of any student dismissed under this section. If a student has been dismissed on five or more occasions or for a cumulative total of ten or more days, the school district must convene a meeting with the parent, surrogate parent, or legal guardian of the child for purposes of determining the source of the behavior leading to dismissal and the student's need for assessment, evaluation, or other services."

Page 2, line 5, after the period, insert "The policy must include a procedure for notifying and meeting with a student's parents to discuss the problem that is causing the student to be removed from class after the student has been removed from class more than ten times in one school year."

Page 2, line 8, after "that" insert "significantly"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the semicolon, insert ", by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Pappas from the Committee on Education, to which was referred

S.F. No. 1307: A bill for an act relating to education; repealing the Minnesota Education Finance Act of 1992; amending Laws 1992, chapter 499, article 7, section 31, as amended; repealing Minnesota Statutes 2000, sections 126C.30; 126C.31; 126C.32; 126C.33; 126C.34; 126C.35; and 126C.36.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

Senator Metzen from the Committee on Telecommunications, Energy and Utilities, to which was re-referred

S.F. No. 694: A bill for an act relating to public safety; providing for creation of a propane education and research council.

Reports the same back with the recommendation that the bill be amended as follows:

Page 8, after line 17, insert:

"Sec. 14. [REPEALER.]

Sections 1 through 13 are repealed August 1, 2004, if no propane energy and research council has been established by that date.

Sec. 15. [REPEALER.]

Sections 1 through 14 are repealed August 1, 2009."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Metzen from the Committee on Telecommunications, Energy and Utilities, to which was referred

S.F. No. 997: A bill for an act relating to utilities; authorizing the city of Austin municipal utilities commission to enter into joint ventures with the Freeborn-Mower counties cooperative electric power association.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 7, after the semicolon, insert "and"

Page 2, line 12, delete "; and" and insert a period

Page 2, delete lines 13 and 14

Page 2, after line 19, insert:

"(d) Any corporate or legal entity formed under this subdivision must comply with Minnesota Statutes, section 465.719, subdivisions 9, 10, 11, 12, 13, and 14. For the purpose of Minnesota Statutes, section 465.719, the term "political subdivision" means the city council of Austin."

Page 4, line 4, delete ", privileges,"

Page 4, line 5, delete "responsibilities, and duties" and delete "or appropriate"

Page 4, line 23, after "of" insert "Minnesota Statutes,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Metzen from the Committee on Telecommunications, Energy and Utilities, to which was referred

S.F. No. 1821: A bill for an act relating to utilities; modifying provisions regulating utility facilities in railroad rights-of-way; amending Minnesota Statutes 2000, section 237.04.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 237.04, is amended to read:

237.04 [WIRE CROSSING OR PARALLELING UTILITY LINE; RULES.]

(a) The department shall determine and promulgate reasonable rules covering the maintenance and operation, also the nature, location, and character of the construction to be used, where telephone, telegraph, electric light, power, or other electric wires of any kind, or any natural gas pipelines, cross, or more or less parallel the lines of any railroad, interurban railway, or any other

similar public service corporation; and, to this end, shall formulate and from time to time, issue general rules covering each class of construction, maintenance, and operation of such telephone, telegraph, telecommunications, cable, fiber optic, electric wire, or natural gas pipeline crossing, or paralleling, under the various conditions existing; and the department, upon the complaint of any person, railroad, interurban railway, municipal utility, cooperative electric association, telephone company, telecommunications carrier, cable company, fiber optic carrier, or other public utility claiming to be injuriously affected or subjected to hazard by any such crossing or paralleling lines constructed or about to be constructed, shall, after a hearing, make such order and prescribe such terms and conditions for the construction, maintenance, and operation of the lines in question as may be just and reasonable.

(b) The department may, upon request of any municipal utility, electric cooperative association, ~~or~~ public utility, telephone company, telecommunications carrier, cable company, or fiber optic carrier determine the just and reasonable charge which a railroad, or owner of an abandoned railroad right-of-way, can prescribe for a new or existing crossing of a railroad right-of-way by ~~an~~ any telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas line, or new or existing telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas lines more or less paralleling a railroad right-of-way, based on the diminution in value caused by the crossing or paralleling of the right-of-way by the telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas line. This section shall not be construed to eliminate the right of a public utility, municipal utility, or electric cooperative association to have any of the foregoing issues determined pursuant to an eminent domain proceeding commenced under chapter 117. Unless the railroad, or owner of an abandoned railroad right-of-way, asserts in writing that the proposed crossing or paralleling is a serious threat to the safe operations of the railroad or to the current use of the railroad right-of-way, a crossing can be constructed following filing of the requested action with the department, pending review of the requested action by the department.

(c) The department shall assess the cost of reviewing the requested action, and of determining a just and reasonable charge, equally among the parties."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Solon from the Committee on Commerce, to which was re-referred

S.F. No. 1070: A bill for an act relating to human services; expanding consumer information and assistance; establishing long-term care consultation services; modifying the alternative care program; modifying the elderly waiver; establishing nursing facility resident relocation procedures; providing rate increases for certain medical assistance providers; establishing a nursing facility voluntary closure process; expanding workforce recruitment and retention programs; regulating supplemental nursing services agencies; regulating long-term care insurance; appropriating money; amending Minnesota Statutes 2000, sections 62A.02, by adding a subdivision; 62A.48, by adding subdivisions; 62D.04, subdivision 5; 62S.01, by adding a subdivision; 116L.11, subdivision 4; 116L.12, subdivisions 4, 5; 116L.13, subdivision 1; 144.057; 144.1464; 144.1496, subdivisions 1, 3, 4; 144A.071, subdivisions 1, 1a, 2, 4a; 144A.073, subdivision 2; 245A.04, subdivisions 3, 3a, 3b, 3d; 256.975, by adding subdivisions; 256B.0911, subdivisions 1, 3, 5, 6, 7, by adding subdivisions; 256B.0913, subdivisions 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14; 256B.0915, subdivisions 1d, 3, 5; 256B.0917, by adding a subdivision; 256B.431, by adding subdivisions; 256B.434, subdivision 4; 256B.5012, subdivision 3, by adding subdivisions; 256L.07, subdivision 2; 626.557, subdivision 12b; Laws 1999, chapter 245, article 3, section 45, as amended; proposing coding for new law in Minnesota Statutes, chapters 62S; 116L; 144; 144A; 256; 256B; repealing Minnesota Statutes 2000, sections 116L.10; 116L.12, subdivisions 2, 7; 144A.16; 256B.0911, subdivisions 2, 2a, 4, 8, 9; 256B.0913, subdivisions 3, 15a, 15b, 15c, 16; 256B.0915, subdivisions 3a, 3b, 3c; 256B.436, subdivisions 3, 5, 6, 8; Minnesota Rules, parts 4655.6810; 4655.6820; 4655.6830; 4658.1600; 4658.1605; 4658.1610; 4658.1690; 9505.2390; 9505.2395; 9505.2396; 9505.2400; 9505.2405; 9505.2410; 9505.2413; 9505.2415; 9505.2420; 9505.2425; 9505.2426; 9505.2430; 9505.2435; 9505.2440; 9505.2445; 9505.2450; 9505.2455; 9505.2458; 9505.2460; 9505.2465; 9505.2470; 9505.2473; 9505.2475; 9505.2480; 9505.2485; 9505.2486; 9505.2490; 9505.2495; 9505.2496; 9505.2500; 9546.0010; 9546.0020; 9546.0030; 9546.0040; 9546.0050; 9546.0060.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 104 and 105, delete section 1

Page 113, line 13, after the period, insert "Health maintenance organizations shall submit proposals in good faith that meet the requirements of the request for proposal from the commissioner, provided that the requirements can reasonably be met by the health maintenance organization."

Page 113, line 26, after the period, insert "In determining whether to extend the program to include coverage for the employees, the commissioner shall evaluate the feasibility of the state establishing a stop-loss insurance fund for the purpose of lowering the cost of premiums for the employees."

Page 115, line 15, after "(3)" insert "except for a \$20 copay per visit for emergency care," and delete "co-payments" and insert "copayments"

Pages 149 to 165, delete sections 1 to 9 and insert:

"Section 1. Minnesota Statutes 2000, section 62A.48, subdivision 4, is amended to read:

Subd. 4. [LOSS RATIO.] The anticipated loss ratio for long-term care policies must not be less than 65 percent for policies issued on a group basis or 60 percent for policies issued on an individual or mass-market basis. This subdivision does not apply to policies issued on or after January 1, 2002, that comply with sections 62S.021 and 62S.081.

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

Sec. 2. Minnesota Statutes 2000, section 62A.48, is amended by adding a subdivision to read:

Subd. 10. [REGULATION OF PREMIUMS AND PREMIUM INCREASES.] Policies issued under sections 62A.46 to 62A.56 on or after January 1, 2002, must comply with sections 62S.021, 62S.081, 62S.265, and 62S.266 to the same extent as policies issued under chapter 62S.

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

Sec. 3. Minnesota Statutes 2000, section 62A.48, is amended by adding a subdivision to read:

Subd. 11. [NONFORFEITURE BENEFITS.] Policies issued under sections 62A.46 to 62A.56 on or after January 1, 2002, must comply with section 62S.02, subdivision 2, to the same extent as policies issued under chapter 62S.

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

Sec. 4. Minnesota Statutes 2000, section 62S.01, is amended by adding a subdivision to read:

Subd. 13a. [EXCEPTIONAL INCREASE.] (a) "Exceptional increase" means only those increases filed by an insurer as exceptional for which the commissioner determines the need for the premium rate increase is justified due to changes in laws or rules applicable to long-term care coverage in this state, or due to increased and unexpected utilization that affects the majority of insurers of similar products.

(b) Except as provided in section 62S.265, exceptional increases are subject to the same requirements as other premium rate schedule increases. The commissioner may request a review by an independent actuary or a professional actuarial body of the basis for a request that an increase be considered an exceptional increase. The commissioner, in determining that the necessary basis for an exceptional increase exists, shall also determine any potential offsets to higher claims costs.

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

Sec. 5. Minnesota Statutes 2000, section 62S.01, is amended by adding a subdivision to read:

Subd. 17a. [INCIDENTAL.] "Incidental," as used in section 62S.265, subdivision 10, means that the value of the long-term care benefits provided is less than ten percent of the total value of the benefits provided over the life of the policy. These values shall be measured as of the date of issue.

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

Sec. 6. Minnesota Statutes 2000, section 62S.01, is amended by adding a subdivision to read:

Subd. 23a. [QUALIFIED ACTUARY.] "Qualified actuary" means a member in good standing of the American Academy of Actuaries.

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

Sec. 7. Minnesota Statutes 2000, section 62S.01, is amended by adding a subdivision to read:

Subd. 25a. [SIMILAR POLICY FORMS.] "Similar policy forms" means all of the long-term care insurance policies and certificates issued by an insurer in the same long-term care benefit classification as the policy form being considered. Certificates of groups that meet the definition in section 62S.01, subdivision 15, clause (1), are not considered similar to certificates or policies otherwise issued as long-term care insurance, but are similar to other comparable certificates with the same long-term care benefit classifications. For purposes of determining similar policy forms, long-term care benefit classifications are defined as follows: institutional long-term care benefits only, noninstitutional long-term care benefits only, or comprehensive long-term care benefits.

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

Sec. 8. [62S.021] [LONG-TERM CARE INSURANCE; INITIAL FILING.]

Subdivision 1. [APPLICABILITY.] This section applies to any long-term care policy issued in this state on or after January 1, 2002, under this chapter or sections 62A.46 to 62A.56.

Subd. 2. [REQUIRED SUBMISSION TO COMMISSIONER.] An insurer shall provide the following information to the commissioner 30 days prior to making a long-term care insurance form available for sale:

(1) a copy of the disclosure documents required in section 62S.081; and

(2) an actuarial certification consisting of at least the following:

(i) a statement that the initial premium rate schedule is sufficient to cover anticipated costs under moderately adverse experience and that the premium rate schedule is reasonably expected to be sustainable over the life of the form with no future premium increases anticipated;

(ii) a statement that the policy design and coverage provided have been reviewed and taken into consideration;

(iii) a statement that the underwriting and claims adjudication processes have been reviewed and taken into consideration; and

(iv) a complete description of the basis for contract reserves that are anticipated to be held under the form, to include:

(A) sufficient detail or sample calculations provided so as to have a complete depiction of the reserve amounts to be held;

(B) a statement that the assumptions used for reserves contain reasonable margins for adverse experience;

(C) a statement that the net valuation premium for renewal years does not increase, except for attained age rating where permitted;

(D) a statement that the difference between the gross premium and the net valuation premium

for renewal years is sufficient to cover expected renewal expenses, or if such a statement cannot be made, a complete description of the situations where this does not occur. An aggregate distribution of anticipated issues may be used as long as the underlying gross premiums maintain a reasonably consistent relationship. If the gross premiums for certain age groups appear to be inconsistent with this requirement, the commissioner may request a demonstration under item (i) based on a standard age distribution; and

(E) either a statement that the premium rate schedule is not less than the premium rate schedule for existing similar policy forms also available from the insurer except for reasonable differences attributable to benefits, or a comparison of the premium schedules for similar policy forms that are currently available from the insurer with an explanation of the differences.

Subd. 3. [ACTUARIAL DEMONSTRATION.] The commissioner may request an actuarial demonstration that benefits are reasonable in relation to premiums. The actuarial demonstration shall include either premium and claim experience on similar policy forms, adjusted for any premium or benefit differences, relevant and credible data from other studies, or both. If the commissioner asks for additional information under this subdivision, the 30-day time limit in subdivision 2 does not include the time during which the insurer is preparing the requested information.

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

Sec. 9. [62S.081] [REQUIRED DISCLOSURE OF RATING PRACTICES TO CONSUMERS.]

Subdivision 1. [APPLICATION.] This section shall apply as follows:

(a) Except as provided in paragraph (b), this section applies to any long-term care policy or certificate issued in this state on or after January 1, 2002.

(b) For certificates issued on or after the effective date of this section under a policy of group long-term care insurance as defined in section 62S.01, subdivision 15, that was in force on the effective date of this section, this section applies on the policy anniversary following June 30, 2002.

Subd. 2. [REQUIRED DISCLOSURES.] Other than policies for which no applicable premium rate or rate schedule increases can be made, insurers shall provide all of the information listed in this subdivision to the applicant at the time of application or enrollment, unless the method of application does not allow for delivery at that time; in this case, an insurer shall provide all of the information listed in this subdivision to the applicant no later than at the time of delivery of the policy or certificate:

(1) a statement that the policy may be subject to rate increases in the future;

(2) an explanation of potential future premium rate revisions and the policyholder's or certificate holder's option in the event of a premium rate revision;

(3) the premium rate or rate schedules applicable to the applicant that will be in effect until a request is made for an increase;

(4) a general explanation for applying premium rate or rate schedule adjustments that must include:

(i) a description of when premium rate or rate schedule adjustments will be effective, for example the next anniversary date or the next billing date; and

(ii) the right to a revised premium rate or rate schedule as provided in clause (3) if the premium rate or rate schedule is changed; and

(5)(i) information regarding each premium rate increase on this policy form or similar policy forms over the past ten years for this state or any other state that, at a minimum, identifies:

- (A) the policy forms for which premium rates have been increased;
 - (B) the calendar years when the form was available for purchase; and
 - (C) the amount or percent of each increase. The percentage may be expressed as a percentage of the premium rate prior to the increase and may also be expressed as minimum and maximum percentages if the rate increase is variable by rating characteristics;
- (ii) the insurer may, in a fair manner, provide additional explanatory information related to the rate increases;
 - (iii) an insurer has the right to exclude from the disclosure premium rate increases that apply only to blocks of business acquired from other nonaffiliated insurers or the long-term care policies acquired from other nonaffiliated insurers when those increases occurred prior to the acquisition;
 - (iv) if an acquiring insurer files for a rate increase on a long-term care policy form acquired from nonaffiliated insurers or a block of policy forms acquired from nonaffiliated insurers on or before the later of the effective date of this section, or the end of a 24-month period following the acquisition of the block of policies, the acquiring insurer may exclude that rate increase from the disclosure. However, the nonaffiliated selling company must include the disclosure of that rate increase according to item (i); and
 - (v) if the acquiring insurer in item (iv) files for a subsequent rate increase, even within the 24-month period, on the same policy form acquired from nonaffiliated insurers or block of policy forms acquired from nonaffiliated insurers referenced in item (iv), the acquiring insurer shall make all disclosures required by this subdivision, including disclosure of the earlier rate increase referenced in item (iv).

Subd. 3. [ACKNOWLEDGMENT.] An applicant shall sign an acknowledgment at the time of application, unless the method of application does not allow for signature at that time, that the insurer made the disclosure required under subdivision 2. If, due to the method of application, the applicant cannot sign an acknowledgment at the time of application, the applicant shall sign no later than at the time of delivery of the policy or certificate.

Subd. 4. [FORMS.] An insurer shall use the forms in Appendices B and F of the Long-term Care Insurance Model Regulation adopted by the National Association of Insurance Commissioners to comply with the requirements of subdivisions 1 and 2.

Subd. 5. [NOTICE OF INCREASE.] An insurer shall provide notice of an upcoming premium rate schedule increase, after the increase has been approved by the commissioner, to all policyholders or certificate holders, if applicable, at least 45 days prior to the implementation of the premium rate schedule increase by the insurer. The notice shall include the information required by subdivision 2 when the rate increase is implemented.

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

Sec. 10. Minnesota Statutes 2000, section 62S.26, is amended to read:

62S.26 [LOSS RATIO.]

(a) The minimum loss ratio must be at least 60 percent, calculated in a manner which provides for adequate reserving of the long-term care insurance risk. In evaluating the expected loss ratio, the commissioner shall give consideration to all relevant factors, including:

- (1) statistical credibility of incurred claims experience and earned premiums;
- (2) the period for which rates are computed to provide coverage;
- (3) experienced and projected trends;
- (4) concentration of experience within early policy duration;

- (5) expected claim fluctuation;
- (6) experience refunds, adjustments, or dividends;
- (7) renewability features;
- (8) all appropriate expense factors;
- (9) interest;
- (10) experimental nature of the coverage;
- (11) policy reserves;
- (12) mix of business by risk classification; and
- (13) product features such as long elimination periods, high deductibles, and high maximum limits.

(b) This section does not apply to policies or certificates that are subject to sections 62S.021, 62S.081, and 62S.265, and that comply with those sections.

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

Sec. 11. [62S.265] [PREMIUM RATE SCHEDULE INCREASES.]

Subdivision 1. [APPLICABILITY.] (a) Except as provided in paragraph (b), this section applies to any long-term care policy or certificate issued in this state on or after January 1, 2002, under this chapter or sections 62A.46 to 62A.56.

(b) For certificates issued on or after the effective date of this section under a group long-term care insurance policy as defined in section 62S.01, subdivision 15, that was in force on the effective date of this section, this section applies on the policy anniversary following June 30, 2002.

Subd. 2. [NOTICE.] An insurer shall file a requested premium rate schedule increase, including an exceptional increase, to the commissioner for prior approval at least 60 days prior to the notice to the policyholders and shall include:

- (1) all information required by section 62S.081;
- (2) certification by a qualified actuary that:
 - (i) if the requested premium rate schedule increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized, no further premium rate schedule increases are anticipated; and
 - (ii) the premium rate filing complies with this section;
- (3) an actuarial memorandum justifying the rate schedule change request that includes:
 - (i) lifetime projections of earned premiums and incurred claims based on the filed premium rate schedule increase and the method and assumptions used in determining the projected values, including reflection of any assumptions that deviate from those used for pricing other forms currently available for sale;
 - (A) annual values for the five years preceding and the three years following the valuation date shall be provided separately;
 - (B) the projections must include the development of the lifetime loss ratio, unless the rate increase is an exceptional increase;
 - (C) the projections must demonstrate compliance with subdivision 3; and

(D) for exceptional increases, the projected experience must be limited to the increases in claims expenses attributable to the approved reasons for the exceptional increase and, if the commissioner determines that offsets to higher claim costs may exist, the insurer shall use appropriate net projected experience;

(ii) disclosure of how reserves have been incorporated in this rate increase whenever the rate increase will trigger contingent benefit upon lapse;

(iii) disclosure of the analysis performed to determine why a rate adjustment is necessary, which pricing assumptions were not realized and why, and what other actions taken by the company have been relied upon by the actuary;

(iv) a statement that policy design, underwriting, and claims adjudication practices have been taken into consideration; and

(v) if it is necessary to maintain consistent premium rates for new certificates and certificates receiving a rate increase, the insurer shall file composite rates reflecting projections of new certificates;

(4) a statement that renewal premium rate schedules are not greater than new business premium rate schedules except for differences attributable to benefits, unless sufficient justification is provided to the commissioner; and

(5) sufficient information for review and approval of the premium rate schedule increase by the commissioner.

Subd. 3. [REQUIREMENTS PERTAINING TO RATE INCREASES.] All premium rate schedule increases must be determined according to the following requirements:

(1) exceptional increases shall provide that 70 percent of the present value of projected additional premiums from the exceptional increase will be returned to policyholders in benefits;

(2) premium rate schedule increases must be calculated so that the sum of the accumulated value of incurred claims, without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

(i) the accumulated value of the initial earned premium times 58 percent;

(ii) 85 percent of the accumulated value of prior premium rate schedule increases on an earned basis;

(iii) the present value of future projected initial earned premiums times 58 percent; and

(iv) 85 percent of the present value of future projected premiums not in item (iii) on an earned basis;

(3) if a policy form has both exceptional and other increases, the values in clause (2), items (ii) and (iv), must also include 70 percent for exceptional rate increase amounts; and

(4) all present and accumulated values used to determine rate increases must use the maximum valuation interest rate for contract reserves permitted for valuation of whole life insurance policies issued in this state on the same date. The actuary shall disclose as part of the actuarial memorandum the use of any appropriate averages.

Subd. 4. [PROJECTIONS.] For each rate increase that is implemented, the insurer shall file for approval by the commissioner updated projections, as defined in subdivision 2, clause (3), item (i), annually for the next three years and include a comparison of actual results to projected values. The commissioner may extend the period to greater than three years if actual results are not consistent with projected values from prior projections. For group insurance policies that meet the conditions in subdivision 11, the projections required by this subdivision must be provided to the policyholder in lieu of filing with the commissioner.

Subd. 5. [LIFETIME PROJECTIONS.] If any premium rate in the revised premium rate schedule is greater than 200 percent of the comparable rate in the initial premium schedule, lifetime projections, as defined in subdivision 2, clause (3), item (i), must be filed for approval by the commissioner every five years following the end of the required period in subdivision 4. For group insurance policies that meet the conditions in subdivision 11, the projections required by this subdivision must be provided to the policyholder in lieu of filing with the commissioner.

Subd. 6. [EFFECT OF ACTUAL EXPERIENCE.] (a) If the commissioner has determined that the actual experience following a rate increase does not adequately match the projected experience and that the current projections under moderately adverse conditions demonstrate that incurred claims will not exceed proportions of premiums specified in subdivision 3, the commissioner may require the insurer to implement any of the following:

- (1) premium rate schedule adjustments; or
- (2) other measures to reduce the difference between the projected and actual experience.

(b) In determining whether the actual experience adequately matches the projected experience, consideration should be given to subdivision 2, clause (3), item (v), if applicable.

Subd. 7. [CONTINGENT BENEFIT UPON LAPSE.] If the majority of the policies or certificates to which the increase is applicable are eligible for the contingent benefit upon lapse, the insurer shall file:

(1) a plan, subject to commissioner approval, for improved administration or claims processing designed to eliminate the potential for further deterioration of the policy form requiring further premium rate schedule increases, or both, or a demonstration that appropriate administration and claims processing have been implemented or are in effect; otherwise, the commissioner may impose the condition in subdivision 8, paragraph (b); and

(2) the original anticipated lifetime loss ratio, and the premium rate schedule increase that would have been calculated according to subdivision 3 had the greater of the original anticipated lifetime loss ratio or 58 percent been used in the calculations described in subdivision 3, clause (2), items (i) and (iii).

Subd. 8. [PROJECTED LAPSE RATES.] (a) For a rate increase filing that meets the following criteria, the commissioner shall review, for all policies included in the filing, the projected lapse rates and past lapse rates during the 12 months following each increase to determine if significant adverse lapsation has occurred or is anticipated:

- (1) the rate increase is not the first rate increase requested for the specific policy form or forms;
- (2) the rate increase is not an exceptional increase; and
- (3) the majority of the policies or certificates to which the increase is applicable are eligible for the contingent benefit upon lapse.

(b) If significant adverse lapsation has occurred, is anticipated in the filing, or is evidenced in the actual results as presented in the updated projections provided by the insurer following the requested rate increase, the commissioner may determine that a rate spiral exists. Following the determination that a rate spiral exists, the commissioner may require the insurer to offer, without underwriting, to all in-force insureds subject to the rate increase, the option to replace existing coverage with one or more reasonably comparable products being offered by the insurer or its affiliates. The offer must:

- (1) be subject to the approval of the commissioner;
- (2) be based upon actuarially sound principles, but not be based upon attained age; and
- (3) provide that maximum benefits under any new policy accepted by an insured shall be reduced by comparable benefits already paid under the existing policy.

(c) The insurer shall maintain the experience of all the replacement insureds separate from the experience of insureds originally issued the policy forms. In the event of a request for a rate increase on the policy form, the rate increase must be limited to the lesser of the maximum rate increase determined based on the combined experience and the maximum rate increase determined based only upon the experience of the insureds originally issued the form plus ten percent.

Subd. 9. [PERSISTENT PRACTICE OF INADEQUATE INITIAL RATES.] If the commissioner determines that the insurer has exhibited a persistent practice of filing inadequate initial premium rates for long-term care insurance, the commissioner may, in addition to the provisions of subdivision 8, prohibit the insurer from either of the following:

(1) filing and marketing comparable coverage for a period of up to five years; or

(2) offering all other similar coverages and limiting marketing of new applications to the products subject to recent premium rate schedule increases.

Subd. 10. [INCIDENTAL LONG-TERM CARE BENEFITS.] Subdivisions 1 to 9 do not apply to policies for which the long-term care benefits provided by the policy are incidental, as defined in section 62S.01, subdivision 17a, if the policy complies with all of the following provisions:

(1) the interest credited internally to determine cash value accumulations, including long-term care, if any, are guaranteed not to be less than the minimum guaranteed interest rate for cash value accumulations without long-term care set forth in the policy;

(2) the portion of the policy that provides insurance benefits other than long-term care coverage meets the nonforfeiture requirements as applicable in any of the following:

(i) for life insurance, section 61A.25;

(ii) for individual deferred annuities, section 61A.245; and

(iii) for variable annuities, section 61A.21;

(3) the policy meets the disclosure requirements of sections 62S.10 and 62S.11 if the policy is governed by chapter 62S and of section 62A.50 if the policy is governed by sections 62A.46 to 62A.56;

(4) the portion of the policy that provides insurance benefits other than long-term care coverage meets the requirements as applicable in the following:

(i) policy illustrations to the extent required by state law applicable to life insurance;

(ii) disclosure requirements in state law applicable to annuities; and

(iii) disclosure requirements applicable to variable annuities; and

(5) an actuarial memorandum is filed with the commissioner that includes:

(i) a description of the basis on which the long-term care rates were determined;

(ii) a description of the basis for the reserves;

(iii) a summary of the type of policy, benefits, renewability, general marketing method, and limits on ages of issuance;

(iv) a description and a table of each actuarial assumption used. For expenses, an insurer must include percent of premium dollars per policy and dollars per unit of benefits, if any;

(v) a description and a table of the anticipated policy reserves and additional reserves to be held in each future year for active lives;

(vi) the estimated average annual premium per policy and the average issue age;

(vii) a statement as to whether underwriting is performed at the time of application. The statement shall indicate whether underwriting is used and, if used, the statement shall include a description of the type or types of underwriting used, such as medical underwriting or functional assessment underwriting. Concerning a group policy, the statement shall indicate whether the enrollee or any dependent will be underwritten and when underwriting occurs; and

(viii) a description of the effect of the long-term care policy provision on the required premiums, nonforfeiture values, and reserves on the underlying insurance policy, both for active lives and those in long-term care claim status.

Subd. 11. [LARGE GROUP POLICIES.] Subdivisions 6 and 9 do not apply to group long-term care insurance policies as defined in section 62S.01, subdivision 15, where:

(1) the policies insure 250 or more persons, and the policyholder has 5,000 or more eligible employees of a single employer; or

(2) the policyholder, and not the certificate holders, pays a material portion of the premium, which is not less than 20 percent of the total premium for the group in the calendar year prior to the year in which a rate increase is filed.

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

Sec. 12. [62S.266] [NONFORFEITURE BENEFIT REQUIREMENT.]

Subdivision 1. [APPLICABILITY.] This section does not apply to life insurance policies or riders containing accelerated long-term care benefits.

Subd. 2. [REQUIREMENT.] An insurer must offer each prospective policyholder a nonforfeiture benefit in compliance with the following requirements:

(1) a policy or certificate offered with nonforfeiture benefits must have coverage elements, eligibility, benefit triggers, and benefit length that are the same as coverage to be issued without nonforfeiture benefits. The nonforfeiture benefit included in the offer must be the benefit described in subdivision 5; and

(2) the offer must be in writing if the nonforfeiture benefit is not otherwise described in the outline of coverage or other materials given to the prospective policyholder.

Subd. 3. [EFFECT OF REJECTION OF OFFER.] If the offer required to be made under subdivision 2 is rejected, the insurer shall provide the contingent benefit upon lapse described in this section.

Subd. 4. [CONTINGENT BENEFIT UPON LAPSE.] (a) After rejection of the offer required under subdivision 2, for individual and group policies without nonforfeiture benefits issued after the effective date of this section, the insurer shall provide a contingent benefit upon lapse.

(b) If a group policyholder elects to make the nonforfeiture benefit an option to the certificate holder, a certificate shall provide either the nonforfeiture benefit or the contingent benefit upon lapse.

(c) The contingent benefit on lapse shall be triggered every time an insurer increases the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding the percentage of the insured's initial annual premium based on the insured's issue age, and the policy or certificate lapses within 120 days of the due date of the premium increase. Unless otherwise required, policyholders shall be notified at least 30 days prior to the due date of the premium reflecting the rate increase.

Triggers for a Substantial Premium Increase

<u>Issue Age</u>	<u>Percent Increase Over Initial Premium</u>
<u>29 and Under</u>	<u>200</u>

30-34	190
35-39	170
40-44	150
45-49	130
50-54	110
55-59	90
60	70
61	66
62	62
63	58
64	54
65	50
66	48
67	46
68	44
69	42
70	40
71	38
72	36
73	34
74	32
75	30
76	28
77	26
78	24
79	22
80	20
81	19
82	18
83	17
84	16
85	15
86	14
87	13
88	12
89	11
90 and over	10

(d) On or before the effective date of a substantial premium increase as defined in paragraph (c), the insurer shall:

(1) offer to reduce policy benefits provided by the current coverage without the requirement of additional underwriting so that required premium payments are not increased;

(2) offer to convert the coverage to a paid-up status with a shortened benefit period according to the terms of subdivision 5. This option may be elected at any time during the 120-day period referenced in paragraph (c); and

(3) notify the policyholder or certificate holder that a default or lapse at any time during the 120-day period referenced in paragraph (c) shall be deemed to be the election of the offer to convert in clause (2).

Subd. 5. [NONFORFEITURE BENEFITS; REQUIREMENTS.] (a) Benefits continued as nonforfeiture benefits, including contingent benefits upon lapse, must be as described in this subdivision.

(b) For purposes of this subdivision, "attained age rating" is defined as a schedule of premiums

starting from the issue date which increases with age at least one percent per year prior to age 50, and at least three percent per year beyond age 50.

(c) For purposes of this subdivision, the nonforfeiture benefit shall be of a shortened benefit period providing paid-up, long-term care insurance coverage after lapse. The same benefits, amounts, and frequency in effect at the time of lapse, but not increased thereafter, will be payable for a qualifying claim, but the lifetime maximum dollars or days of benefits shall be determined as specified in paragraph (d).

(d) The standard nonforfeiture credit will be equal to 100 percent of the sum of all premiums paid, including the premiums paid prior to any changes in benefits. The insurer may offer additional shortened benefit period options, as long as the benefits for each duration equal or exceed the standard nonforfeiture credit for that duration. However, the minimum nonforfeiture credit must not be less than 30 times the daily nursing home benefit at the time of lapse. In either event, the calculation of the nonforfeiture credit is subject to the limitation of this subdivision.

(e) The nonforfeiture benefit must begin not later than the end of the third year following the policy or certificate issue date. The contingent benefit upon lapse must be effective during the first three years as well as thereafter.

(f) Notwithstanding paragraph (e), for a policy or certificate with attained age rating, the nonforfeiture benefit must begin on the earlier of:

(1) the end of the tenth year following the policy or certificate issue date; or

(2) the end of the second year following the date the policy or certificate is no longer subject to attained age rating.

(g) Nonforfeiture credits may be used for all care and services qualifying for benefits under the terms of the policy or certificate, up to the limits specified in the policy or certificate.

Subd. 6. [BENEFIT LIMIT.] All benefits paid by the insurer while the policy or certificate is in premium-paying status and in the paid-up status will not exceed the maximum benefits which would be payable if the policy or certificate had remained in premium-paying status.

Subd. 7. [MINIMUM BENEFITS; INDIVIDUAL AND GROUP POLICIES.] There shall be no difference in the minimum nonforfeiture benefits as required under this section for group and individual policies.

Subd. 8. [APPLICATION; EFFECTIVE DATES.] This section becomes effective January 1, 2002, and applies as follows:

(a) Except as provided in paragraph (b), this section applies to any long-term care policy issued in this state on or after the effective date of this section.

(b) For certificates issued on or after the effective date of this section, under a group long-term care insurance policy that was in force on the effective date of this section, the provisions of this section do not apply.

Subd. 9. [EFFECT ON LOSS RATIO.] Premiums charged for a policy or certificate containing nonforfeiture benefits or a contingent benefit on lapse are subject to the loss ratio requirements of section 62A.48, subdivision 4, or 62S.26, treating the policy as a whole, except for policies or certificates that are subject to sections 62S.021, 62S.081, and 62S.265 and that comply with those sections.

Subd. 10. [PURCHASED BLOCKS OF BUSINESS.] To determine whether contingent nonforfeiture upon lapse provisions are triggered under subdivision 4, paragraph (c), a replacing insurer that purchased or otherwise assumed a block or blocks of long-term care insurance policies from another insurer shall calculate the percentage increase based on the initial annual premium paid by the insured when the policy was first purchased from the original insurer.

Subd. 11. [LEVEL PREMIUM CONTRACTS.] A nonforfeiture benefit for qualified long-term care insurance contracts that are level premium contracts shall be offered that meets the following requirements:

(1) the nonforfeiture provision shall be appropriately captioned;

(2) the nonforfeiture provision shall provide a benefit available in the event of a default in the payment of any premiums and shall state that the amount of the benefit may be adjusted subsequent to being initially granted only as necessary to reflect changes in claims, persistency, and interest as reflected in changes in rates for premium paying contracts approved by the commissioner for the same contract form; and

(3) the nonforfeiture provision shall provide at least one of the following:

(i) reduced paid-up insurance;

(ii) extended term insurance;

(iii) shortened benefit period; or

(iv) other similar offerings approved by the commissioner.

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

Sec. 13. Minnesota Statutes 2000, section 256.975, is amended by adding a subdivision to read:

Subd. 8. [PROMOTION OF LONG-TERM CARE INSURANCE.] The Minnesota board on aging, either directly or through contract, shall promote the provision of employer-sponsored, long-term care insurance. The board shall encourage private and public sector employers to make long-term care insurance available to employees, provide interested employers with information on the long-term care insurance product offered to state employees, and provide technical assistance to employers in designing long-term care insurance products and contacting health plan companies offering long-term care insurance products.

Sec. 14. [256B.0571] [LONG-TERM CARE PARTNERSHIP.]

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

(a) "Home care service" means care described in section 144A.43.

(b) "Long-term care insurance" means a policy described in section 62S.01.

(c) "Medical assistance" means the program of medical assistance established under section 256B.01.

(d) "Nursing home" means nursing home as described in section 144A.01.

(e) "Partnership policy" means a long-term care insurance policy that meets the requirements under chapter 62S.

(f) "Partnership program" means the Minnesota partnership for long-term care program established under this section.

Subd. 2. [PARTNERSHIP PROGRAM.] (a) Subject to federal waiver approval, the commissioner of human services, along with the commissioner of commerce, shall establish the Minnesota partnership for long-term care program to provide for the financing of long-term care through a combination of private insurance and medical assistance.

(b) An individual who meets the requirements in paragraph (c) is eligible to participate in the partnership program.

(c) The individual must:

(1) be a Minnesota resident;

(2) purchase a partnership policy that is delivered, issued for delivery, or renewed on or after the effective date of this section, and maintains the partnership policy in effect throughout the period of participation in the partnership program; and

(3) exhaust the minimum benefits under the partnership policy as described in this section. Benefits received under a long-term care insurance policy before the effective date of this section do not count toward the exhaustion of benefits required in this subdivision.

Subd. 3. [MEDICAL ASSISTANCE ELIGIBILITY.] (a) Upon application of an individual who meets the requirements described in subdivision 2, the commissioner of human services shall determine the individual's eligibility for medical assistance according to paragraphs (b) and (c).

(b) After disregarding financial assets exempted under medical assistance eligibility requirements, the department shall disregard an additional amount of financial assets equal to the dollar amount of coverage under the partnership policy.

(c) The department shall consider the individual's income according to medical assistance eligibility requirements.

Subd. 4. [FEDERAL APPROVAL.] (a) The commissioner of human services shall seek appropriate amendments to the medical assistance state plan and shall apply for any necessary waiver of medical assistance requirements by the federal Health Care Financing Administration to implement the partnership program. The state shall not implement the partnership program unless the provisions in paragraphs (b) and (c) apply.

(b) The commissioner shall seek any necessary federal waiver of medical assistance requirements.

(c) Individuals who receive medical assistance under this section are exempt from estate recovery requirements under section 1917, title XIX of the federal Social Security Act, United States Code, title 42, section 1396p.

Subd. 5. [APPROVED POLICIES.] (a) A partnership policy must meet all of the requirements in paragraphs (b) to (h).

(b) Minimum coverage shall be for a period of not less than three years and for a dollar amount equal to 36 months of nursing home care at the minimum daily benefit rate determined and adjusted under paragraph (c). The policy shall provide for home health care benefits to be substituted for nursing home care benefits on the basis of two home health care days for one nursing home care day.

(c) Minimum daily benefits shall be \$130 for nursing home care or \$65 for home care. These minimum daily benefit amounts shall be adjusted by the department on October 1 of each year, based on the health care index used under medical assistance for nursing home rate setting. Adjusted minimum daily benefit amounts shall be rounded to the nearest whole dollar.

(d) A third party designated by the insured shall be entitled to receive notice if the policy is about to lapse for nonpayment of premium, and an additional 30-day grace period for payment of premium shall be granted following notification to that person.

(e) The policy must cover all of the following services:

(1) nursing home stay;

(2) home care service;

(3) care management; and

(4) up to 14 days of nursing care in a hospital while the individual is waiting for long-term care placement.

(f) Payment for service under paragraph (e), clause (4), must not exceed the daily benefit amount for nursing home care.

(g) A partnership policy must offer both options in paragraph (h) for an adjusted premium.

(h) The options are:

(1) an elimination period of not more than 100 days; and

(2) nonforfeiture benefits for applicants between the ages of 18 and 75.

Sec. 15. [APPROPRIATION.]

Subdivision 1. [BOARD ON AGING.] \$..... is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 2003, for the board on aging to promote employer-sponsored long-term care insurance as required under section 13.

Subd. 2. [LONG-TERM CARE PARTNERSHIP PROGRAM.] \$..... is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 2003, for federal waiver development and application under section 14."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, delete everything before "62A.48" and before the second "by" insert "subdivision 4,"

Page 1, line 15, delete "62D.04, subdivision 5;"

Page 1, line 16, delete "a subdivision;" and insert "subdivisions; 62S.26;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred

S.F. No. 1952: A bill for an act relating to agriculture; repealing obsolete agricultural statutes; repealing Minnesota Statutes 2000, sections 17.76; 17.987; 24.001; 24.002; 24.12; 24.131; 24.135; 24.141; 24.145; 24.151; 24.155; 24.161; 24.171; 24.175; 24.18; 24.181; 33.09; 33.111; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, before "33.111" insert "and" and delete "; 395.14;"

Page 1, delete line 14

Page 1, line 15, delete "395.23; and 395.24"

Amend the title as follows:

Page 1, line 6, delete "33.111;" and insert "33.111."

Page 1, delete lines 7 and 8

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was re-referred

S.F. No. 1811: A bill for an act relating to drainage; allowing transfer of a public drainage system to a water management authority; defining water management authority; amending Minnesota Statutes 2000, section 103E.005, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103E.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 2, after the period, insert "The notice shall include a description of the property owner's right to object under subdivision 5."

Page 4, line 18, delete "commissioner of agriculture" and insert "soil and water conservation district"

Page 6, after line 11, insert:

"Subd. 9. [EFFECT ON OTHER LAW.] This section does not amend, supersede, or repeal any existing law providing for the transfer of a drainage system under this chapter, chapter 103D, or other law, but is supplementary to those laws."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was re-referred

S.F. No. 1017: A bill for an act relating to traffic regulations; authorizing statutory cities, home rule charter cities, and urban towns to develop and implement programs for peace officers to detect and cite traffic signal violations by use of photographic evidence; providing penalties; amending Minnesota Statutes 2000, sections 169.06, by adding a subdivision; and 171.12, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 169.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, after "misdemeanor" insert "and may be fined up to \$100"

Page 2, after line 2, insert:

"(d) It is an affirmative defense to a violation of this subdivision if the owner or lessee proves by a preponderance of the evidence that the owner or lessee was not the driver of the vehicle at the time of the violation."

Page 2, line 13, after "violations" insert "only"

Page 2, line 14, delete "only" and insert "within seven working days of the offense"

Page 2, line 35, after the period, insert "Section 13.05, subdivision 11, applies to a contract with a private person for operation of a program under this section. The private person may use the data only for purposes of this program."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was referred

S.F. No. 1711: A bill for an act relating to crimes; prohibiting making counterfeit drivers' licenses and identification cards or having instruments and material for counterfeiting drivers' licenses and identification cards; imposing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2000, section 609.521, is amended to read:

609.521 [POSSESSION OF SHOPLIFTING GEAR.]

(a) As used in this section, an "electronic article surveillance system" means any electronic device or devices that are designed to detect the unauthorized removal of marked merchandise from a store.

(b) Whoever has in possession any device, gear, or instrument specially designed to assist in shoplifting or defeating an electronic article surveillance system with intent to use the same to shoplift and thereby commit theft may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both."

Page 1, line 11, delete "DEFINITION" and insert "DEFINITIONS" and delete the comma and insert ":

(1)"

Page 1, line 19, delete the period and insert "; and

(2)" and delete "Fraudulent" and insert "fraudulent"

Page 1, line 21, before the period, insert ", but that is not authentic"

Page 1, line 22, before "A" insert "(a)"

Page 1, line 23, delete "defraud" and insert "manufacture more than one fraudulent driver's license or identification card for profit"

Page 1, line 25, after "stone," insert "digital image, computer software program, encoding equipment, computer optical scanning equipment, or digital photo printer,"

Page 2, after line 5, insert:

"(3) uses a photocopier, digital camera, photographic image, or computer software to generate a fraudulent driver's license or identification card;"

Page 2, lines 6 and 10, delete "(3)" and insert "(4)"

Page 2, line 9, delete "(4)" and insert "(5)"

Page 2, line 15, delete "(5)" and insert "(6)"

Page 2, after line 22, insert:

"(b) Notwithstanding section 171.22, a person who manufactures or possesses more than one fraudulent driver's license or identification card with intent to profit is guilty of a crime."

Page 2, line 23, delete "does" and insert "commits" and after "act" insert "described"

Page 2, line 25, delete "ten" and insert "five" and delete "\$20,000" and insert "\$10,000"

Page 2, line 28, delete "Section 1 is" and insert "Sections 1 and 2 are" and delete "applies" and insert "apply"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "making" insert "or possessing"

Page 1, line 5, before the semicolon, insert "in certain instances; expanding the crime prohibiting the possession of shoplifting gear"

Page 1, line 6, after the semicolon, insert "amending Minnesota Statutes 2000, section 609.521;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was referred

S.F. No. 1570: A bill for an act relating to public safety; transferring additional responsibilities to state fire marshal and authorizing support, as requested, of fire administration support teams and critical incident stress response; re-creating fire marshal account to help fund administration of division of fire marshal and its activities; appropriating money; amending Minnesota Statutes 2000, sections 299F.01; 299F.11, subdivision 2; 299M.10; and 299M.11, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 299F.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 2000, section 221.0355, subdivision 18, is amended to read:

Subd. 18. [DEPOSIT AND USE OF FEES.] Fees received by the commissioner for administrative processing and investigating information in a disclosure statement must be deposited in the state treasury and credited to the trunk highway fund. Notwithstanding section 221.82, registration fees collected under subdivisions 4, 5, 7, and 7a must be deposited in the state treasury, credited to the general fund state fire marshal account established in section 299F.211, and used to cover the costs of hazardous materials incident response capability under sections 299A.48 to 299A.52 and 299K.095."

Page 3, line 22, after "sections" insert "221.0355, subdivision 18, 299A.49 to 299A.52," and delete "and" and after "299M.11," insert "and 624.22,"

Page 3, line 28, delete everything after "office" and insert a period

Page 3, delete lines 29 and 30

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after "sections" insert "221.0355, subdivision 18;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 1461: A bill for an act relating to health; requiring hospital emergency rooms to provide emergency contraception and information to sexual assault victims; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 145.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 8 and 12, delete "145.4715" and insert "145.4714"

Page 1, line 9, delete "of 2001"

Page 1, line 21, delete "any drug or device" and insert "a hormonal drug"

Page 1, lines 22 and 23, delete "after sexual intercourse" and insert "within the interval between sexual intercourse and implantation"

Page 2, line 28, delete "ENFORCEMENT" and insert "COMPLAINTS"

Page 2, line 29, delete "Subdivision 1. [COMPLAINTS.]"

Page 2, delete lines 34 to 36

Page 3, delete lines 1 to 26

Amend the title as follows:

Page 1, line 4, delete "providing penalties;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 1311: A bill for an act relating to human services; modifying provisions for family and adult self-sufficiency; amending Minnesota Statutes 2000, sections 256.98, subdivision 8; 256D.425, subdivision 1; 256J.08, subdivision 55a, and by adding a subdivision; 256J.21, subdivision 2; 256J.24, subdivisions 2 and 9; 256J.32, subdivision 4; 256J.39, subdivision 2; 256J.42, subdivisions 1, 3, and 4; 256J.45, subdivisions 1 and 2; 256J.46, subdivision 1; 256J.48, by adding a subdivision; 256J.49, subdivisions 2, 13, and by adding a subdivision; 256J.50, subdivisions 5, 10, and by adding a subdivision; 256J.515; 256J.52, subdivisions 2, 3, and 6; 256J.56; 256J.62, subdivisions 2a and 9; 256J.645; and 256K.03, subdivision 5; repealing Minnesota Statutes 2000, sections 256J.08, subdivision 50a; 256J.43; 256J.49, subdivision 11; and 256J.52, subdivision 5a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 5, after the comma, insert "or a county case manager who has received similar specialized training,"

Page 14, line 24, after "and" insert "the county or"

Page 14, line 27, after "by" insert "the county or"

Page 14, after line 31, insert:

"A sanction must not be imposed for the sole purpose of failing to participate in work activities for a specified number of hours if the participant is a single parent or one parent in a two-parent family and is employed at least 35 hours per week."

Page 17, line 12, after "by" insert "the county or"

Page 17, line 20, delete "may" and insert "shall"

Page 17, line 21, after the period, insert "An activity is inconsistent with ensuring safety if, in the opinion of a person trained in domestic violence, the activity would endanger the safety of the participant or children."

Page 21, line 9, after the period, insert "If an alternative plan is denied, the county or a job counselor must provide reasons why the plan is not approved and document how the denial of the plan does not interfere with the safety of the participant or children."

Page 25, line 14, before "WAIVER" insert "FAMILY VIOLENCE"

Page 25, line 31, delete "in effect as of" and insert "prior to"

Page 25, line 36, before "job" insert "county or a"

Page 26, line 6, before "job" insert "county or a"

Page 26, line 12, after "the" insert "county or a"

Page 26, line 15, after "participant" insert "or children"

Page 26, line 19, after "The" insert "county or a"

Page 26, line 22, after "participant" insert "or children"

Page 26, line 23, after the period, insert "During the time a participant is cooperating with the development or revision of an alternative employment plan, the participant is not subject to a sanction for noncompliance with regular employment services activities."

Page 27, line 2, after "required" insert "as a caregiver"

Page 27, lines 5 and 6, delete the new language

Page 27, line 24, after "days" insert ". A personal or family crisis related to family violence, as determined by the county or a job counselor with the assistance of a person trained in domestic violence, should not result in an exemption, but should be addressed through the development or revision of an alternative employment plan under section 256J.52, subdivision 6"

Page 27, line 25, after the stricken "(8)" insert "(7)" and reinstate the stricken "second parents in two-parent families employed for 20"

Page 27, lines 26 and 27, reinstate the stricken language

Page 27, line 28, delete "(7)" and insert "(8)"

Page 27, line 35, strike everything after the period

Page 27, strike line 36

Page 28, strike line 1

Page 28, delete lines 2 to 7

Page 28, line 8, delete "(c)" and insert "(b)"

Page 28, line 14, delete "(d)" and insert "(c)"

Page 32, line 20, after "needed" insert "as a caregiver"

Page 32, lines 23 and 24, delete the new language

Page 32, line 32, delete "or"

Page 33, line 6, delete the period and reinstate the stricken "; or"

Page 33, line 7, after the stricken "(8)" insert "(7)" and reinstate the stricken "second parents in two-parent families employed for 20"

Page 33, lines 8 and 9, reinstate the stricken language

Page 33, line 23, after the first semicolon, insert "256J.12, subdivision 3; and" and delete "; and 256J.52, subdivision 5a"

Amend the title as follows:

Page 1, line 17, after the first semicolon, insert "256J.12, subdivision 3;" and after the second semicolon, insert "and" and delete "; and 256J.52,"

Page 1, line 18, delete everything before the period

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 1724: A bill for an act relating to welfare; providing exemptions from and extensions

of the 60-month time limit on MFIP assistance; amending Minnesota Statutes 2000, section 256J.42, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 256J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2000, section 256J.21, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

(ii) federal income tax refunds;

(8)(i) federal earned income credits;

(ii) Minnesota working family credits;

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

(iv) federal or state tax rebates;

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

(10) the portion of an insurance settlement that is used to pay medical, funeral, and burial expenses, or to repair or replace insured property;

(11) reimbursements for medical expenses that cannot be paid by medical assistance;

(12) payments by a vocational rehabilitation program administered by the state under chapter 268A, except those payments that are for current living expenses;

(13) in-kind income, including any payments directly made by a third party to a provider of goods and services;

(14) assistance payments to correct underpayments, but only for the month in which the payment is received;

- (15) emergency assistance payments;
- (16) funeral and cemetery payments as provided by section 256.935;
- (17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in a calendar month;
- (18) any form of energy assistance payment made through Public Law Number 97-35, Low-Income Home Energy Assistance Act of 1981, payments made directly to energy providers by other public and private agencies, and any form of credit or rebate payment issued by energy providers;
- (19) Supplemental Security Income, including retroactive payments;
- (20) Minnesota supplemental aid, including retroactive payments;
- (21) proceeds from the sale of real or personal property;
- (22) adoption assistance payments under section 259.67;
- (23) state-funded family subsidy program payments made under section 252.32 to help families care for children with mental retardation or related conditions, consumer support grant funds under section 256.476, and resources and services for a disabled household member under one of the home and community-based waiver services programs under chapter 256B;
- (24) interest payments and dividends from property that is not excluded from and that does not exceed the asset limit;
- (25) rent rebates;
- (26) income earned by a minor caregiver, minor child through age 6, or a minor child who is at least a half-time student in an approved elementary or secondary education program;
- (27) income earned by a caregiver under age 20 who is at least a half-time student in an approved elementary or secondary education program;
- (28) MFIP child care payments under section 119B.05;
- (29) all other payments made through MFIP to support a caregiver's pursuit of greater self-support;
- (30) income a participant receives related to shared living expenses;
- (31) reverse mortgages;
- (32) benefits provided by the Child Nutrition Act of 1966, United States Code, title 42, chapter 13A, sections 1771 to 1790;
- (33) benefits provided by the women, infants, and children (WIC) nutrition program, United States Code, title 42, chapter 13A, section 1786;
- (34) benefits from the National School Lunch Act, United States Code, title 42, chapter 13, sections 1751 to 1769e;
- (35) relocation assistance for displaced persons under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, United States Code, title 42, chapter 61, subchapter II, section 4636, or the National Housing Act, United States Code, title 12, chapter 13, sections 1701 to 1750jj;
- (36) benefits from the Trade Act of 1974, United States Code, title 19, chapter 12, part 2, sections 2271 to 2322;
- (37) war reparations payments to Japanese Americans and Aleuts under United States Code, title 50, sections 1989 to 1989d;

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

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

(40) security and utility deposit refunds;

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

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

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

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

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

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

(47) participant performance bonuses under section 256J.555.

Sec. 2. Minnesota Statutes 2000, section 256J.24, subdivision 10, is amended to read:

Subd. 10. [MFIP EXIT LEVEL.] (a) ~~In state fiscal years 2000 and 2001,~~ The commissioner shall adjust the MFIP earned income disregard to ensure that most participants do not lose eligibility for MFIP until their income reaches at least ~~120~~ 130 percent of the federal poverty guidelines in effect in October of each fiscal year. The adjustment to the disregard shall be based on a household size of three, and the resulting earned income disregard percentage must be applied to all household sizes. The adjustment under this subdivision must be implemented at the same time as the October food stamp cost-of-living adjustment is reflected in the food portion of MFIP transitional standard as required under subdivision 5a.

(b) ~~In state fiscal year 2002 and thereafter, the earned income disregard percentage must be the same as the percentage implemented in October 2000.~~"

Page 1, line 17, after "family" insert "with a child age six years or younger"

Page 1, line 21, before the period, insert ", in which the combination of work activities and education are for at least 40 hours per week for a two-parent family, or 20 hours per week for a single-parent family with a child age six years or younger, unless the individualized plan requires fewer hours of work activities, then it is the number of hours required in the plan"

Page 2, line 27, before the comma, insert "or an advocate" and after the period, insert "The participant may request that a representative or advocate not be present during the review."

Page 2, line 29, after the period, insert "The county representative makes the final determination regarding the extension of assistance."

Page 3, delete section 3 and insert:

"Sec. 5. Minnesota Statutes 2000, section 256J.49, subdivision 12, is amended to read:

Subd. 12. [SUITABLE EMPLOYMENT.] "Suitable employment" means employment that:

(1) is within the participant's physical and mental abilities;

(2) pays hourly gross wages of not less than the applicable state or federal minimum wage and can be expected to lead to wages sufficient to enable the participant to transition off of MFIP;

(3) meets health and safety standards set by federal, state and county agencies; and

(4) complies with federal, state, and local antidiscrimination laws.

Sec. 6. Minnesota Statutes 2000, section 256J.52, subdivision 2, is amended to read:

Subd. 2. [INITIAL ASSESSMENT.] (a) The job counselor must, with the cooperation of the participant, assess the participant's ability to obtain and retain employment. This initial assessment must include a review of the participant's education level, prior employment or work experience, transferable work skills, and existing job markets.

(b) In assessing the participant, the job counselor must determine if the participant needs refresher courses for professional certification or licensure, in which case, the job search plan under subdivision 3 must include the courses necessary to obtain the certification or licensure, in addition to other work activities, provided the combination of the courses and other work activities are at least for 40 hours per week.

(c) If a participant can demonstrate to the satisfaction of the county agency that lack of proficiency in English is a barrier to obtaining suitable employment, the job counselor must include participation in an intensive English as a second language program if available or otherwise a regular English as a second language program in the individual's employment plan under subdivision 5. Lack of proficiency in English is not necessarily a barrier to employment.

(d) The job counselor ~~may~~ shall approve an education or training plan, and postpone the job search requirement, if less than 30 percent of the statewide MFIP caseload is participating in education and training, and if the participant has a proposal for an education program which:

(1) can be completed within ~~12~~ 24 months;

(2) meets the criteria of section 256J.53, subdivisions 2, 3, and 5; and

(3) is likely, without additional training, to lead to monthly employment earnings which, after subtraction of the earnings disregard under section 256J.21, equal or exceed the family wage level for the participant's assistance unit.

(e) A participant who, at the time of the initial assessment, presents a plan that includes farming as a self-employed work activity must have an employment plan developed under subdivision 5 that includes the farming as an approved work activity.

(f) If an education or training program is approved, the participant must maintain satisfactory progress in the program as required under section 256J.53, subdivision 3. The participant is not limited to one education or training program, but may participate in post-secondary education or training programs that meet the criteria in this paragraph, up to a total of 48 months. Job search as required under section 256J.53, subdivision 5, applies to participants approved for an education program under this section.

Sec. 7. Minnesota Statutes 2000, section 256J.53, subdivision 1, is amended to read:

Subdivision 1. [LENGTH OF PROGRAM.] In order for a post-secondary education or training program to be approved work activity as defined in section 256J.49, subdivision 13, clause (18), it must be a program lasting ~~12~~ 24 months or less, and the participant must meet the requirements of subdivisions 2 and 3. ~~A program lasting up to 24 months may be approved on an exception basis if the conditions specified in subdivisions 2 to 4 are met. A participant may not be approved for more than a total of 24 months of post-secondary education or training.~~

Sec. 8. Minnesota Statutes 2000, section 256J.53, subdivision 2, is amended to read:

Subd. 2. [DOCUMENTATION SUPPORTING PROGRAM.] (a) In order for a post-secondary education or training program to be an approved activity in a participant's employment plan, the participant or the employment and training service provider must provide documentation that:

(1) the participant's employment plan identifies specific goals that can only be met with the additional education or training;

(2) 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) the participant can meet the requirements for admission into the program; and

(5) there is a reasonable expectation that the participant will complete the training program based on such factors as the participant's MFIP-S assessment, previous education, training, and work history; current motivation; and changes in previous circumstances.

(b) The job counselor shall approve an education or training program that meets the requirements under paragraph (a).

Sec. 9. Minnesota Statutes 2000, section 256J.53, subdivision 3, is amended to read:

Subd. 3. [SATISFACTORY PROGRESS REQUIRED.] ~~In order for a post-secondary education or training program to be an approved activity in a participant's employment plan~~ participant to continue with post-secondary education or training, the participant must maintain satisfactory progress in the program. "Satisfactory progress" in an education or training program means (1) the participant remains in good standing while the participant is enrolled in the program, as defined by the education or training institution, or (2) the participant makes satisfactory progress as the term is defined in the participant's employment plan.

Sec. 10. [256J.555] [PARTICIPANT PERFORMANCE BONUSES.]

A participant enrolled in employment and training services is eligible to receive cash bonuses if the participant has been in compliance with all the requirements of the participant's job search support plan or employment plan for the previous six months. A participant may receive each bonus only once. Income received from the cash bonuses is excluded in determining MFIP eligibility and benefits. Bonuses are available for the completion of the following goals:

(1) for continuous employment of at least 20 hours per week for six months, the bonus is \$200. The caregiver is eligible to receive this bonus if the participant remains on MFIP while employed or if the participant has exited MFIP as the result of employment;

(2) for continuous employment of at least 20 hours per week for 12 months, the bonus is \$300. The caregiver is eligible to receive this bonus if the participant remains on MFIP while employed or if the participant has exited MFIP as the result of employment;

(3) for employment that leads to earnings sufficient for a caregiver to transition off of MFIP and stay off for six months, the bonus is \$300;

(4) for completion of an English as a second language program, the bonus is \$300;

(5) for completion of a high school diploma or GED, the bonus is \$300; and

(6) for completion of a job skills training program from a certified provider, the bonus is \$300.

Sec. 11. [REPEALER.]

Minnesota Statutes 2000, section 256J.53, subdivision 4, is repealed."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to welfare; providing exemptions from and extensions of the 60-month time limit on MFIP assistance; indexing the MFIP exit level at 130 percent of the federal poverty guidelines; allowing 24 months of education; providing cash bonuses to MFIP recipients who meet certain goals; amending Minnesota Statutes 2000, sections 256J.21, subdivision 2; 256J.24, subdivision 10; 256J.42, subdivision 5; 256J.49, subdivision 12; 256J.52, subdivision 2; 256J.53, subdivisions 1, 2, 3; proposing coding for new law in Minnesota Statutes, chapter 256J; repealing Minnesota Statutes 2000, section 256J.53, subdivision 4."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1611: A bill for an act relating to vocational rehabilitation; making technical changes; modifying procedures for grants to rehabilitation facilities; amending Minnesota Statutes 2000, sections 268A.06, subdivision 1; and 268A.08; repealing Minnesota Statutes 2000, section 268A.06, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1173: A bill for an act relating to economic security; increasing the statewide, hourly reimbursement rates for the extended employment program; appropriating money for the continuation of the welfare-to-work extended employment partnership program.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was re-referred

S.F. No. 888: A bill for an act relating to Minneapolis-St. Paul International Airport; providing for the impact of expansion of the Minneapolis-St. Paul International Airport; authorizing airport mitigation planning and the establishment of airport impact zones in the cities of Bloomington, Burnsville, Eagan, Mendota Heights, Minneapolis, Richfield, and St. Paul; creating an airport impact mitigation fund in the state treasury; authorizing certain related activities by the department of trade and economic development; authorizing a metropolitan area credit enhancement program including a contingent metropolitan area property tax levy; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 713: A bill for an act relating to the city of Aurora; providing for the extension of the duration of a housing and redevelopment tax increment financing district in the city.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1898: A bill for an act relating to employment; establishing a pilot program for long-term vocational rehabilitation services for persons with brain injuries; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1535: A bill for an act relating to worker recruitment; creating a critical worker shortage grant program; appropriating money; amending Minnesota Statutes 2000, section 116L.02; proposing coding for new law in Minnesota Statutes, chapter 116L.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was re-referred

S.F. No. 252: A bill for an act relating to natural resources; providing for seasonal firefighters; making temporary emergency firefighters eligible for unemployment insurance; amending Minnesota Statutes 2000, sections 88.12, by adding a subdivision; and 268.035, subdivision 20.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was re-referred

S.F. No. 1546: A bill for an act relating to driver's licenses; permitting courts to stay adjudication of certain driving after suspension, revocation, and cancellation cases on condition that the driver obtain reinstatement of driving privileges; amending Minnesota Statutes 2000, section 171.24, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "3," insert "in a case not involving a commercial motor vehicle,"

Page 1, line 19, before "ability" insert "present"

Page 2, after line 11, insert:

"(c) The court shall notify the commissioner of public safety when it dismisses the proceedings against a person or discharges the person without an adjudication of guilt as authorized in paragraph (b). The commissioner shall record this fact on the person's driver's record.

(d) This subdivision does not apply to persons whose driving privileges were suspended, revoked, or canceled for an impaired driving offense under chapter 169A."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was referred

S.F. No. 1324: A bill for an act relating to public safety; modifying weapons training requirements in rules of the board of private detective and protective agent services; amending Minnesota Statutes 2000, section 326.3361, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 326.32, subdivision 1a, is amended to read:

Subd. 1a. [ARMED WITH A FIREARM.] An individual is "armed employee with a firearm" means an employee of a private detective or protective agent who if at any time in the performance of the employee's individual's duties the individual wears, carries, possesses, or has access to a firearm.

Sec. 2. Minnesota Statutes 2000, section 326.32, is amended by adding a subdivision to read:

Subd. 1b. [ARMED WITH A WEAPON.] An individual is "armed with a weapon" if at any time in the performance of the individual's duties the individual wears, carries, possesses, or has access to:

- (1) a weapon other than a firearm; or
- (2) an immobilizing or restraining device.

Sec. 3. Minnesota Statutes 2000, section 326.3361, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The board shall, by rule, prescribe the requirements, duration, contents, and standards for successful completion of certified training programs for license holders, qualified representatives, Minnesota managers, partners, and employees, including:

(1) first aid and firearms training required for armed employees, including training in the legal limitations on the justifiable use of force and deadly force as specified in sections 609.06 and 609.065 for those individuals who are armed with a firearm, training in the proper use of, and the risks and dangers arising from the use of, firearms;

(2) risks and dangers arising from for those individuals who are armed with a weapon, training in the proper use of, and the risks and dangers arising from the use of, weapons other than firearms, including, but not limited to, bludgeons, nightsticks, batons, chemical weapons, and electronic incapacitation devices, and restraint or immobilization techniques;

(3) for those individuals who are armed with a firearm or armed with a weapon, training in first aid and alternatives to the use of force, including advantages to not using force and specifically when force should not be used;

(4) for those individuals who are armed with a firearm or armed with a weapon, training in the legal limitations on the justifiable use of force and deadly force as specified in sections 609.06 and 609.065;

(4) (5) standards for weapons and equipment issued to or carried or used by license holders, qualified representatives, Minnesota managers, partners, and employees those individuals;

(5) (6) preassignment or on-the-job training, or its equivalent, required before applicants may be certified as having completed training; and

(6) (7) continuing training for license holders, qualified representatives, Minnesota managers, partners, employees, and armed employees individuals armed with a firearm, and individuals armed with a weapon.

Sec. 4. Minnesota Statutes 2000, section 326.3361, subdivision 2, is amended to read:

Subd. 2. [REQUIRED CONTENTS.] The rules adopted by the board must require:

(1) 12 hours of preassignment or on-the-job certified training within the first 21 days of employment, or evidence that the employee has successfully completed equivalent training before the start of employment;

(2) certification by the board of completion of certified training for a license holder, qualified

representative, Minnesota manager, partner, and employee to carry or use a firearm, a weapon other than a firearm, or an immobilizing or restraint technique; and

(3) six hours a year of certified continuing training for all license holders, qualified representatives, Minnesota managers, partners, and employees, and an additional six hours a year for ~~armed~~ individuals who are armed with firearms or armed with weapons, which must include annual certification of the ~~armed~~ individual.

An employee individual may not carry or use a weapon while undergoing on-the-job training under this subdivision."

Delete the title and insert:

"A bill for an act relating to public safety; modifying training requirements that the rules of the board of private detective and protective agent services must address; amending Minnesota Statutes 2000, sections 326.32, subdivision 1a, by adding a subdivision; 326.3361, subdivisions 1, 2."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1714: A bill for an act relating to Hennepin county; providing for design-build contracts; proposing coding for new law in Minnesota Statutes, chapter 383B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 10, insert:

"(c) "Best value" describes a result intended in acquiring design-build services. Best value determination must include price and must measure a responder's qualifications, experience, prior performance, and responses to technical and qualitative criteria."

Page 1, line 11, delete "(c)" and insert "(d)"

Page 1, line 15, delete "(d)" and insert "(e)" and after "a" insert "single"

Page 1, line 20, delete "(e)" and insert "(f)"

Page 1, line 23, delete "(f)" and insert "(g)"

Page 1, line 24, after the first comma, insert "design standards,"

Page 2, line 2, delete "(g)" and insert "(h)"

Page 2, line 7, delete "(h)" and insert "(i)"

Page 2, line 12, delete "(i)" and insert "(j)"

Page 2, line 14, delete "(j)" and insert "(k)"

Page 2, line 17, delete "(k)" and insert "(l)"

Page 2, line 19, delete "(l)" and insert "(m)"

Page 2, line 23, delete "(m)" and insert "(n)"

Page 2, after line 29, insert:

"Subd. 3. [RESTRICTION.] The number of design-build contracts awarded by the county board in any year may not exceed 20 percent of the total number of construction contracts awarded by the county board in the previous year."

Page 2, line 30, delete "3" and insert "4"

Page 3, line 22, delete "4" and insert "5"

Page 3, line 35, delete "5" and insert "6"

Page 4, line 6, delete "subdivision 5,"

Page 4, line 21, delete "6" and insert "7"

Page 4, line 24, delete "7" and insert "8"

Page 4, line 32, delete "3" and insert "4"

Page 5, line 5, after the first "bonds," insert "warranties,"

Page 5, line 19, delete "7" and insert "8"

Page 5, line 32, delete "9" and insert "10"

Page 6, line 2, delete "8" and insert "9"

Page 6, line 11, delete "using the same or different" and insert "after making appropriate modifications to"

Page 6, line 16, delete "9" and insert "10"

Page 7, line 22, delete "10" and insert "11"

Page 7, line 23, delete "2009" and insert "2004"

Page 7, line 24, delete "2010" and insert "2005"

Page 7, line 25, delete "; NO LOCAL APPROVAL REQUIRED"

Page 7, line 26, delete "(a)" and delete "July 1, 2001" and insert "upon compliance with the local approval requirement set out in Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Hennepin county"

Page 7, delete lines 27 to 30

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Metzen from the Committee on Telecommunications, Energy and Utilities, to which was referred

S.F. No. 1249: A bill for an act relating to utilities; modifying biomass mandate; amending Minnesota Statutes 2000, section 216B.2424, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 31 and 32, delete "Constitutional Route No. 8" and insert "Trunk Highway No. 2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Judiciary, to which was re-referred

S.F. No. 1398: A bill for an act relating to health; establishing maternal death reviews; amending Minnesota Statutes 2000, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 2000, sections 13.3806, subdivision 19; and 145.90.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 2000, section 144.335, subdivision 1, is amended to read:

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

(a) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient appoints in writing as a representative, including a health care agent acting pursuant to chapter 145C, unless the authority of the agent has been limited by the principal in the principal's health care directive. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is regulated to furnish the services pursuant to chapter 147, 147A, 147B, 147C, 147D, 148, 148B, 148C, 150A, 151, 153, or 153A, or Minnesota Rules, chapter 4666; (2) a home care provider licensed under section 144A.46; (3) a health care facility licensed pursuant to this chapter or chapter 144A; (4) a physician assistant registered under chapter 147A; and (5) an unlicensed mental health practitioner regulated pursuant to sections 148B.60 to 148B.71.

(c) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "section" and insert "sections"

Page 1, line 4, after the semicolon, insert "144.335, subdivision 1;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 1999: A bill for an act relating to courts; amending and deleting obsolete references to the judicial system; amending Minnesota Statutes 2000, section 609.103; repealing Minnesota Statutes 2000, sections 260.022; 260.023; 260.024; 260.025; and 260B.193, subdivision 3; Laws 1997, chapter 239, article 3, section 23.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, strike "in the" and delete the new language

Page 1, line 17, delete the new language and strike "where" and insert "that in a judicial district under section 480.181, subdivision 1, paragraph (b),"

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 2000, section 626.11, is amended to read:

626.11 [ISSUANCE OF WARRANT.]

If the judge is satisfied of the existence of the grounds of the application, or that there is probable cause to believe their existence, the judge must issue a signed search warrant, naming the judge's judicial office, to a peace officer ~~in the judge's county having jurisdiction in the area where the place to be searched is located,~~ to an agent of the bureau of criminal apprehension, or to an agent of the division of alcohol and gambling enforcement who is a licensed peace officer as defined in section 626.84, subdivision 1, paragraph (c). The warrant shall direct the officer or

agent to search the person or place named for the property or things specified, and to retain the property or things in the officer's or agent's custody subject to order of the court issuing the warrant.

Sec. 3. Minnesota Statutes 2000, section 626.13, is amended to read:

626.13 [SERVICE; PERSONS MAKING.]

A search warrant may in all cases be served anywhere within the issuing judge's county jurisdiction by any of the officers mentioned in its directions, but by no other person, except in aid of the officer on the officer's requiring it, the officer being present and acting in its execution. If the warrant is to be served by an agent of the bureau of criminal apprehension, an agent of the division of alcohol and gambling enforcement, a state patrol trooper, or a conservation officer, the agent, state patrol trooper, or conservation officer shall notify the chief of police of an organized full-time police department of the municipality or, if there is no such local chief of police, the sheriff or a deputy sheriff of the county in which service is to be made prior to execution."

Page 1, line 19, delete "2" and insert "4"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "clarifying warrant issuance and service;"

Page 1, line 4, delete "section 609.103" and insert "sections 609.103; 626.11; 626.13"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 2022: A bill for an act relating to family law; clarifying which month certain support payments are for; amending Minnesota Statutes 2000, section 518.551, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [SCOPE; PAYMENT TO PUBLIC AGENCY.] (a) This section applies to all proceedings involving a support order, including, but not limited to, a support order establishing an order for past support or reimbursement of public assistance.

(b) The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support and maintenance collection services. Public authorities responsible for child support enforcement may act on behalf of other public authorities responsible for child support enforcement. This includes the authority to represent the legal interests of or execute documents on behalf of the other public authority in connection with the establishment, enforcement, and collection of child support, maintenance, or medical support, and collection on judgments.

(c) Payments made to the public authority other than payments under section 518.6111 must be credited as of the date the payment is received by the central collections unit.

(d) Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 2. Minnesota Statutes 2000, section 518.6111, is amended by adding a subdivision to read:

Subd. 19. [TIMING OF AUTOMATED ENFORCEMENT REMEDIES.] The public authority shall make reasonable efforts to ensure that automated enforcement remedies take into consideration the time periods allowed under this section.

Sec. 3. [518.6196] [COLLECTION; REVENUE RECAPTURE.]

The public authority may submit debt under chapter 270A only if the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount greater than the obligor's total monthly support and maintenance payments or if the debt has been entered and docketed as a judgment under section 548.091, subdivision 2a."

Delete the title and insert:

"A bill for an act relating to family law; clarifying crediting of support payments; modifying implementation of enforcement remedies to accommodate timing of support payments; amending Minnesota Statutes 2000, sections 518.551, subdivision 1; 518.6111, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 518."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 1825: A bill for an act relating to state government; creating the technology enterprise fund and board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16E.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Pappas from the Committee on Education, to which was re-referred

S.F. No. 1431: A bill for an act relating to health; modifying tobacco settlement and medical education endowment funds; creating healthy kids learn endowment fund; appropriating money; amending Minnesota Statutes 2000, sections 16A.87; and 62J.694, subdivisions 2 and 4; proposing coding for new law in Minnesota Statutes, chapter 145.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 19, delete "commissioner" and insert "board of regents"

Page 3, line 21, delete everything before the period

Page 3, delete lines 22 to 36

Page 4, delete lines 1 to 18

Page 4, line 19, delete "(f)" and insert "(d)"

Page 5, lines 12 and 29, delete "school-aged"

Page 6, line 3, delete "kindergarten" and insert "children"

Page 6, line 4, delete "students"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Pappas from the Committee on Education, to which was referred

S.F. No. 3: A bill for an act relating to education; prohibiting enrollment in fourth grade for students unable to read by the end of third grade; amending Minnesota Statutes 2000, sections 120B.30, subdivision 1; and 126C.05, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 120B.11, subdivision 2, is amended to read:

Subd. 2. [ADOPTING POLICIES.] ~~(a)~~ A school board shall adopt annually a written policy that includes the following:

- (1) district goals for instruction and curriculum;
- (2) a process for evaluating each student's progress toward meeting graduation standards and identifying the strengths and weaknesses of instruction and curriculum affecting students' progress;
- (3) a system for periodically reviewing all instruction and curriculum;
- (4) a plan for improving instruction and curriculum; ~~and~~
- (5) an instruction plan that includes education effectiveness processes developed under section 122A.625 and integrates instruction, curriculum, and technology; and
- (6) a process for screening each student for reading skills no later than the end of first grade and prescribing intervention methods or programs for students identified as needing reading intervention according to section 120B.12.

[EFFECTIVE DATE.] This section is effective July 1, 2002.

Sec. 2. [120B.12] [READING INTERVENTION.]

Subdivision 1. [LITERACY GOAL.] The legislature seeks to have Minnesota's children able to read no later than the end of second grade.

Subd. 2. [IDENTIFICATION.] For the 2002-2003 school year and later, each school district shall identify before the end of first grade students who are at risk of not learning to read before the end of second grade. The district must use a locally adopted assessment method.

Subd. 3. [INTERVENTION.] For each student identified under subdivision 2, the district shall provide a reading intervention method or program to assist the student in reaching the goal of learning to read no later than the end of second grade. District intervention methods shall encourage parental involvement and, where possible, collaboration with appropriate school and community programs. Intervention methods may include, but are not limited to, requiring attendance in summer school and intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day.

Subd. 4. [STAFF DEVELOPMENT.] Each district shall identify the staff development needs to ensure that:

- (1) elementary teachers are able to implement comprehensive, scientifically based, and balanced reading instruction programs that have resulted in improved student performance;
- (2) elementary teachers who are instructing students identified under subdivision 2 are prepared to teach using the intervention methods or programs selected by the district for the identified students; and
- (3) all licensed teachers employed by the district have regular opportunities to improve reading instruction.

Subd. 5. [COMMISSIONER.] The commissioner shall recommend to districts multiple assessment tools that will assist districts and teachers with identifying students under subdivision 2. The commissioner shall also make available to districts examples of nationally recognized and research-based instructional methods or programs that districts may use to provide reading intervention according to this section.

[EFFECTIVE DATE.] This section is effective July 1, 2002.

Sec. 3. Minnesota Statutes 2000, section 122A.06, is amended by adding a subdivision to read:

Subd. 4. **[COMPREHENSIVE, SCIENTIFICALLY BASED, AND BALANCED READING INSTRUCTION.]** "Comprehensive, scientifically based, and balanced reading instruction" means instruction and practice in phonemic awareness, phonics and other word recognition skills, and guided oral reading for beginning readers; and extensive silent reading, vocabulary instruction, comprehensive instruction, and instruction that fosters deep understanding and higher order thinking for readers of all ages and proficiency levels.

Sec. 4. Minnesota Statutes 2000, section 122A.09, subdivision 4, is amended to read:

Subd. 4. **[LICENSE AND RULES.]** (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board must adopt rules requiring a person to successfully complete a skills examination in reading, writing, and mathematics as a requirement for initial teacher licensure. Such rules must require college and universities offering a board approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a post-secondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program, shall assist in resolving a dispute between the person and a post-secondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(d) The board must provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board must adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than September 1, 2001.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial licenses.

(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule. ~~The rules adopted under this paragraph apply to teachers who renew their licenses in year 2001 and later.~~

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

(m) The board must adopt rules that require all licensed teachers who are renewing their continuing licenses to include in their renewal requirements further preparation in the application of comprehensive, scientifically based, and balanced reading instruction programs.

[EFFECTIVE DATE.] This section is effective for teachers who renew their licenses in year 2004 and later.

Sec. 5. Minnesota Statutes 2000, section 122A.18, subdivision 2a, is amended to read:

Subd. 2a. **[READING STRATEGIES.]** (a) All colleges and universities approved by the board of teaching to prepare persons for classroom teacher licensure must include in their teacher preparation programs reading best practices that enable classroom teacher licensure candidates to know how to teach reading, such as phonics or other research-based best practices.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in the application of comprehensive, scientifically based, and balanced reading instruction programs.

[EFFECTIVE DATE.] This section is effective for candidates for initial licensure in year 2004 and later.

Sec. 6. Minnesota Statutes 2000, section 122A.18, is amended by adding a subdivision to read:

Subd. 2b. **[READING SPECIALIST.]** Not later than July 1, 2002, the board of teaching must adopt rules providing for the licensure of teachers of reading."

Delete the title and insert:

"A bill for an act relating to education; requiring school districts to implement early reading assessment and intervention methods; providing for reading specialist licensure; providing for rulemaking; amending Minnesota Statutes 2000, sections 120B.11, subdivision 2; 122A.06, by adding a subdivision; 122A.09, subdivision 4; 122A.18, subdivision 2a, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 120B."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 498: A bill for an act relating to human services; changing provisions in the medical assistance prepayment demonstration project; amending Minnesota Statutes 2000, section 256B.69, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 62Q.19, subdivision 1, is amended to read:

Subdivision 1. **[DESIGNATION.]** The commissioner shall designate essential community providers. The criteria for essential community provider designation shall be the following:

(1) a demonstrated ability to integrate applicable supportive and stabilizing services with medical care for uninsured persons and high-risk and special needs populations as defined in section 62Q.07, subdivision 2, paragraph (e), underserved, and other special needs populations; and

(2) a commitment to serve low-income and underserved populations by meeting the following requirements:

- (i) has nonprofit status in accordance with chapter 317A;
 - (ii) has tax exempt status in accordance with the Internal Revenue Service Code, section 501(c)(3);
 - (iii) charges for services on a sliding fee schedule based on current poverty income guidelines; and
 - (iv) does not restrict access or services because of a client's financial limitation;
- (3) status as a local government unit as defined in section 62D.02, subdivision 11, a hospital district created or reorganized under sections 447.31 to 447.37, an Indian tribal government, an Indian health service unit, or a community health board as defined in chapter 145A;
- (4) a former state hospital that specializes in the treatment of cerebral palsy, spina bifida, epilepsy, closed head injuries, specialized orthopedic problems, and other disabling conditions; or
- (5) a rural hospital that has qualified for a sole community hospital financial assistance grant in the past three years under section 144.1484, subdivision 1. For these rural hospitals, the essential community provider designation applies to all health services provided, including both inpatient and outpatient services; or
- (6) an alternative school authorized under sections 123A.05 to 123A.08 or under section 124D.68 and a charter school authorized under section 124D.10. For these schools the essential community provider designation applies for mental health services delivered by a licensed health care or social services practitioner to a child currently enrolled in the school.

Prior to designation, the commissioner shall publish the names of all applicants in the State Register. The public shall have 30 days from the date of publication to submit written comments to the commissioner on the application. No designation shall be made by the commissioner until the 30-day period has expired.

The commissioner may designate an eligible provider as an essential community provider for all the services offered by that provider or for specific services designated by the commissioner.

For the purpose of this subdivision, supportive and stabilizing services include at a minimum, transportation, child care, cultural, and linguistic services where appropriate.

Sec. 2. Minnesota Statutes 2000, section 256B.69, subdivision 4, is amended to read:

Subd. 4. [LIMITATION OF CHOICE.] (a) The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6.

(b) The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice: (1) persons eligible for medical assistance according to section 256B.055, subdivision 1; (2) persons eligible for medical assistance due to blindness or disability as determined by the social security administration or the state medical review team, unless: (i) they are 65 years of age or older, or (ii) they reside in Itasca county or they reside in a county in which the commissioner conducts a pilot project under a waiver granted pursuant to section 1115 of the Social Security Act; (3) recipients who currently have private coverage through a health maintenance organization; (4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense; (5) recipients who receive benefits under the Refugee Assistance Program, established under United States Code, title 8, section 1522(e); (6) children who are both determined to be severely emotionally disturbed and receiving case management services according to section 256B.0625, subdivision 20; and (7) adults who are both determined to be seriously and persistently mentally ill and received case management services according to section 256B.0625, subdivision 20. Children under age 21 who are in foster placement may enroll in the project on an elective basis. Individuals excluded under clauses (6) and (7) may choose to enroll on an elective basis.

(c) When a child enrolled with a demonstration provider has been identified as receiving mental health services in an alternative school, the alternative school shall notify the commissioner and the child's county of financial responsibility. The commissioner, in coordination with the county, shall determine whether the child qualifies under paragraph (b) for exclusion from participation in the demonstration project. If the child qualifies, the county shall contact the child's parent or guardian and offer the option for the child to be excluded from the demonstration project.

(d) The commissioner may allow persons with a one-month spenddown who are otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly spenddown to the state.

(e) Beginning on or after July 1, 1997, the commissioner may require those individuals to enroll in the prepaid medical assistance program who otherwise would have been excluded under clauses (1) and (3) and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

(f) Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. The commissioner may assign an individual with private coverage through a health maintenance organization, to the same health maintenance organization for medical assistance coverage, if the health maintenance organization is under contract for medical assistance in the individual's county of residence. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; changing provisions in the medical assistance prepayment demonstration project; amending Minnesota Statutes 2000, sections 62Q.19, subdivision 1; 256B.69, subdivision 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1211: A bill for an act relating to housing; modifying provisions relating to tenant impact statements; providing civil penalties; amending Minnesota Statutes 2000, section 471.9997.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, delete "serve" and insert "provide"

Page 3, delete lines 11 to 21

Page 3, line 22, delete "(8)" and insert "(6)"

Page 3, delete lines 23 to 26

Page 3, line 27, delete "(10)" and insert "(7)"

Page 3, line 28, delete the semicolon and insert a period

Page 3, delete lines 29 to 34 and insert:

"Subd. 4. [NOTICE TO HOUSING AGENCY.] At least 12 months before termination of participation in a federally assisted rental housing program the owner must notify the Minnesota

housing finance agency whether the owner intends to prepay the mortgage or loan or allow the rental assistance contract to expire in order to operate the housing without any low-income use restrictions, plans on renewing the rental assistance contract subject to the availability of adequate appropriations, or is seeking additional financial incentives or higher rents as a condition of remaining in the federal program."

Page 4, line 3, delete "clauses (3) and (6)" and insert "clause (3)"

Page 4, line 21, after "any" insert "willful"

Page 4, line 24, delete "shall" and insert "may"

Page 4, line 25, delete "\$500" and insert "\$100" and delete "\$2,500" and insert "\$500"

Page 4, delete lines 26 to 36

Page 5, delete line 1

Renumber the subdivisions in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1668: A bill for an act relating to employment; appropriating money from federal TANF funds for a transitional employment training project.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, after "to" insert "the commissioner of human services for a grant to"

Page 2, line 17, delete "A minor amount" and insert "Up to ten percent"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1835: A bill for an act relating to employment; regulating an employee's right to receive certain employment termination information; amending Minnesota Statutes 2000, section 181.933, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 11 and 13, strike "such" and insert "the"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was re-referred

S.F. No. 827: A bill for an act relating to employment; appropriating money for HIV/AIDS in the workplace education.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1628: A bill for an act relating to state government; reclassifying certain Minnesota state colleges and universities positions as classified; amending Minnesota Statutes 2000, section 43A.08, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1475: A bill for an act relating to public employment; expanding eligibility for the public employees group long-term care insurance program; amending Minnesota Statutes 2000, section 43A.318, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1124: A bill for an act relating to retirement; providing continued insurance coverage for spouses of certain retirees.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1033: A bill for an act relating to public employment; Minnesota state colleges and universities; merging unions for technical and community college employees; amending Minnesota Statutes 2000, sections 43A.06, subdivision 1; 179A.10, subdivision 2; 354B.21, subdivision 1; 354B.25, subdivision 1a; and 354C.11, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 1068: A bill for an act relating to government data; providing for classification of certain data; amending Minnesota Statutes 2000, section 13.719, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 13.02, subdivision 11, is amended to read:

Subd. 11. [POLITICAL SUBDIVISION.] "Political subdivision" means any county, statutory or home rule charter city, school district, special district, metropolitan area town as described in section 368.01, subdivision 1 or 1a, and any board, commission, district or authority created pursuant to law, local ordinance or charter provision. It includes any nonprofit corporation which is a community action agency organized pursuant to the Economic Opportunity Act of 1964 (Public Law Number 88-452) as amended, to qualify for public funds, or any nonprofit social service agency which performs services under contract to any political subdivision, statewide system or state agency, to the extent that the nonprofit social service agency or nonprofit corporation collects, stores, disseminates, and uses data on individuals because of a contractual relationship with state agencies, political subdivisions or statewide systems.

Sec. 2. Minnesota Statutes 2000, section 13.072, subdivision 2, is amended to read:

Subd. 2. [EFFECT.] Opinions issued by the commissioner under this section are not binding on the state agency, statewide system, or political subdivision whose data is the subject of the opinion, but must be given deference by a court in a proceeding involving the data. The commissioner shall arrange for public dissemination of opinions issued under this section. This section does not preclude a person from bringing any other action under this chapter or other law in addition to or instead of requesting a written opinion. ~~A state agency, statewide system, political subdivision, government entity or person that acts in conformity with a written opinion of the commissioner issued to the government entity or person or to another party is not liable for compensatory or exemplary damages or awards of attorneys fees in actions under section 13.08 or for a penalty under section 13.09.~~

Sec. 3. Minnesota Statutes 2000, section 13.08, subdivision 4, is amended to read:

Subd. 4. [ACTION TO COMPEL COMPLIANCE.] (a) In addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved person seeking to enforce the person's rights under this chapter or obtain access to data may bring an action in district court to compel compliance with this chapter and may recover costs and disbursements, including reasonable attorney's fees, as determined by the court. If the court determines that an action brought under this subdivision is frivolous and without merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible authority. If the court issues an order to compel compliance under this subdivision, the court may impose a civil penalty of up to \$300 against the government entity. This penalty is payable to the state general fund and is in addition to damages under subdivision 1. The matter shall be heard as soon as possible. In an action involving a request for government data under section 13.03 or 13.04, the court may inspect in camera the government data in dispute, but shall conduct its hearing in public and in a manner that protects the security of data classified as not public. If the court issues an order to compel compliance under this subdivision, the court shall forward a copy of the order to the commissioner of administration.

(b) In determining whether to assess a civil penalty under this subdivision, the court shall consider whether the government entity has substantially complied with general data practices under this chapter, including but not limited to, whether the government entity has:

- (1) designated a responsible authority under section 13.02, subdivision 16;
- (2) designated a data practices compliance official under section 13.05, subdivision 13;
- (3) prepared the public document that names the responsible authority and describes the records and data on individuals that are maintained by the government entity under section 13.05, subdivision 1;
- (4) developed public access procedures under section 13.03, subdivision 2; procedures to guarantee the rights of data subjects under section 13.05, subdivision 8; and procedures to ensure that data on individuals are accurate and complete and to safeguard the data's security under section 13.05, subdivision 5;
- (5) sought an oral, written, or electronic opinion from the commissioner of administration related to the matter at issue and acted in conformity with that opinion or acted in conformity with an opinion issued under section 13.072 that was sought by another person; or
- (6) provided ongoing training to government entity personnel who respond to requests under this chapter.

Sec. 4. Minnesota Statutes 2000, section 13.32, is amended by adding a subdivision to read:

Subd. 5a. [MILITARY RECRUITMENT.] A secondary institution shall release to military recruiting officers the names, addresses, and home telephone numbers of students in grades 11 and 12 within 60 days after the date of the request, except as otherwise provided by this subdivision. A secondary institution shall give parents and students notice of the right to refuse release of this data to military recruiting officers. Notice may be given by any means reasonably likely to inform

the parents and students of the right. Data released to military recruiting officers under this subdivision:

(1) may be used only for the purpose of providing information to students about military service, state and federal veterans' education benefits, and other career and educational opportunities provided by the military; and

(2) shall not be further disseminated to any other person except personnel of the recruiting services of the armed forces.

Sec. 5. Minnesota Statutes 2000, section 13.322, subdivision 3, is amended to read:

Subd. 3. [HIGHER EDUCATION SERVICES OFFICE.] (a) [GENERAL.] Data sharing involving the higher education services office and other institutions is governed by section 136A.05.

(b) [STUDENT FINANCIAL AID.] Data collected and used by the higher education services office on applicants for financial assistance are classified under section 136A.162.

(c) [EDVEST DATA.] Account owner data, account data, and data on beneficiaries of accounts under the Edvest savings program are classified under section 136A.243, subdivision 10.

(d) [SCHOOL FINANCIAL RECORDS.] Financial records submitted by schools registering with the higher education services office are classified under section 136A.64.

Sec. 6. Minnesota Statutes 2000, section 13.59, is amended to read:

13.59 [HOUSING AND REDEVELOPMENT DATA.]

Subdivision 1. [PRIVATE SURVEY DATA.] The following data collected in surveys of individuals conducted by cities and housing and redevelopment authorities for the purposes of planning, development, and redevelopment, are classified as private data pursuant to section 13.02, subdivision 12: the names and addresses of individuals and the legal descriptions of property owned by individuals.

Subd. 2. [NONPUBLIC SURVEY DATA.] The following data collected in surveys of businesses conducted by cities and housing and redevelopment authorities, for the purposes of planning, development, and redevelopment, are classified as nonpublic data pursuant to section 13.02, subdivision 9: the names, addresses, and legal descriptions of business properties and the commercial use of the property to the extent disclosure of the use would identify a particular business.

Subd. 3. [FINANCIAL ASSISTANCE DATA.] (a) The following data that are submitted to a housing and redevelopment authority by persons who are requesting financial assistance are private data on individuals or nonpublic data:

(1) financial statements;

(2) credit reports;

(3) business plans;

(4) income and expense projections;

(5) customer lists;

(6) balance sheets;

(7) income tax returns; and

(8) design, market, and feasibility studies not paid for with public funds.

(b) Data submitted to the authority under paragraph (a) become public data if the authority

provides financial assistance to the person, except that the following data remain private or nonpublic:

- (1) business plans;
- (2) income and expense projections not related to the financial assistance provided;
- (3) customer lists;
- (4) income tax returns; and
- (5) design, market, and feasibility studies not paid for with public funds.

Subd. 4. [DEFINITION.] For purposes of this section, "housing and redevelopment authority" has the meaning given in section 469.002, subdivision 2, and includes a government entity exercising powers under sections 469.001 to 469.047.

Sec. 7. Minnesota Statutes 2000, section 13.594, is amended to read:

13.594 [ECONOMIC ASSISTANCE DATA.]

The following data collected by cities or counties in their administration of the a city or county economic development assistance program are classified as nonpublic data:

- (1) application data, except company names, addresses, and other data that identify the applicant, until the application is approved by the a city or county;
- (2) application data, except company names, addresses, and other data that identify the applicant, that pertain to companies whose applications have been disapproved;
- (3) attachments to applications including but, not limited to, business and personal financial records, until the application is approved;
- (4) income tax returns, either personal or corporate, that are filed by applicants; and
- (5) correspondence between the program administrators and the applicant until the application has been approved or disapproved.

Sec. 8. Minnesota Statutes 2000, section 13.719, is amended by adding a subdivision to read:

Subd. 6. [AUTOMOBILE INSURANCE.] (a) [GROUP SELF-INSURANCE DATA.] Financial data relating to nonpublic companies that are submitted to the commissioner of commerce for the purpose of obtaining approval to self-insure liability for automobile coverage as a group are nonpublic data.

(b) [SELF-INSURANCE; PLAN ADMINISTRATOR DATA.] Financial documents, including income statements, balance sheets, statements of change in financial positions, and supporting financial information submitted by nonpublic companies seeking to self-insure their automobile liability or to be licensed as self-insurance plan administrators, are nonpublic data.

Sec. 9. Minnesota Statutes 2000, section 13.785, is amended by adding a subdivision to read:

Subd. 4. [CERTIFICATE OF DISCHARGE.] Access to certificates of discharge from military service maintained by county recorders is governed by section 386.20.

Sec. 10. Minnesota Statutes 2000, section 136A.243, is amended by adding a subdivision to read:

Subd. 10. [DATA.] Account owner data, account data, and data on beneficiaries of accounts are private data on individuals as defined in section 13.02, except that the names and addresses of the beneficiaries of accounts that receive grants are public.

Sec. 11. Minnesota Statutes 2000, section 138.17, subdivision 7, is amended to read:

Subd. 7. [RECORDS MANAGEMENT PROGRAM.] A records management program for the application of efficient and economical management methods to the creation, utilization, maintenance, retention, preservation, and disposal of official records shall be administered by the commissioner of administration with assistance from the director of the historical society. The state records center which stores and services state records not in state archives shall be administered by the commissioner of administration. The commissioner of administration is empowered to (1) establish standards, procedures, and techniques for effective management of government records, (2) make continuing surveys of paper work operations, and (3) recommend improvements in current records management practices including the use of space, equipment, and supplies employed in creating, maintaining, preserving and disposing of government records. It shall be the duty of the head of each state agency and the governing body of each county, municipality, and other subdivision of government to cooperate with the commissioner in conducting surveys and to establish and maintain an active, continuing program for the economical and efficient management of the records of each agency, county, municipality, or other subdivision of government. When requested by the commissioner, public officials shall assist in the preparation of an inclusive inventory of records in their custody, to which shall be attached a schedule, approved by the head of the governmental unit or agency having custody of the records and the commissioner, establishing a time period for the retention or disposal of each series of records. When the schedule is unanimously approved by the records disposition panel, the head of the governmental unit or agency having custody of the records may dispose of the type of records listed in the schedule at a time and in a manner prescribed in the schedule for particular records which were created after the approval. A list of records disposed of pursuant to this subdivision shall be forwarded to the commissioner and the archivist maintained by the head of the governmental unit or agency. ~~The archivist shall maintain a list of all records destroyed.~~

Sec. 12. Minnesota Statutes 2000, section 182.659, subdivision 8, is amended to read:

Subd. 8. Neither the commissioner nor any employee of the department, including those employees of the department of health providing services to the department of labor and industry, pursuant to section 182.67, subdivision 1, is subject to subpoena for purposes of inquiry into any occupational safety and health inspection except in enforcement proceedings brought under this chapter. ~~All written information, documentation and reports gathered or prepared by the department pursuant to an occupational safety and health inspection are public information once the departmental inspection file is closed.~~ Data that identify individuals who provide data to the department as part of an investigation conducted under this chapter shall be private.

Sec. 13. Minnesota Statutes 2000, section 260B.171, subdivision 1, is amended to read:

Subdivision 1. [RECORDS REQUIRED TO BE KEPT.] (a) The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. Except as provided in paragraph (b), the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 28 years and shall release the records on an individual to another juvenile court that has jurisdiction of the juvenile, to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court also may provide copies of records concerning delinquency adjudications, on request, to law enforcement agencies, probation officers, and corrections agents if the court finds that providing these records serves public safety or is in the best interests of the child. ~~Until July 1, 2001,~~ Juvenile court delinquency proceeding records of adjudications, court transcripts, and delinquency petitions, including any probable cause attachments that have been filed or police officer reports relating to a petition, must be released to requesting law enforcement agencies and prosecuting authorities for purposes of investigating and prosecuting violations of section 609.229, provided that psychological or mental health reports may not be included with those records. The agency receiving the records may release the records only as permitted under this section or authorized by law.

The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if

ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. Unless otherwise provided by law, all court records shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian.

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a felony- or gross misdemeanor level offense until the offender reaches the age of 28. If the offender commits a felony as an adult, or the court convicts a child as an extended jurisdiction juvenile, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was provided counsel as required by section 260B.163, subdivision 2.

Sec. 14. Minnesota Statutes 2000, section 299C.095, subdivision 1, is amended to read:

Subdivision 1. [ACCESS TO DATA ON JUVENILES.] (a) The bureau shall administer and maintain the computerized juvenile history record system based on sections 260B.171 and 260C.171 and other statutes requiring the reporting of data on juveniles. The data in the system are private data as defined in section 13.02, subdivision 12, but are accessible to criminal justice agencies as defined in section 13.02, subdivision 3a, to all trial courts and appellate courts, to a person who has access to the juvenile court records as provided in sections 260B.171 and 260C.171 or under court rule, to public defenders as provided in section 611.272, and to criminal justice agencies in other states in the conduct of their official duties.

(b) Except for access authorized under paragraph (a), the bureau shall only disseminate a juvenile adjudication history record in connection with a background check required by statute or rule and performed on a licensee, license applicant, or employment applicant or performed under section 299C.62 or 624.713. If the background check is performed under section 299C.62, juvenile adjudication history disseminated under this paragraph is limited to offenses that would constitute a background check crime as defined in section 299C.61, subdivision 2. A consent for release of information from an individual who is the subject of a juvenile adjudication history is not effective and the bureau shall not release a juvenile adjudication history record and shall not release information in a manner that reveals the existence of the record.

Sec. 15. Minnesota Statutes 2000, section 299C.13, is amended to read:

299C.13 [INFORMATION FURNISHED TO PEACE OFFICER.]

Upon receipt of information data as to any arrested person, the bureau shall immediately ascertain whether the person arrested has a criminal record or is a fugitive from justice, and shall at once inform the arresting officer of the facts ascertained, including references to any juvenile or adult court disposition data that are not in the criminal history system. Upon application by any sheriff, chief of police, or other peace officer in the state, or by an officer of the United States or by an officer of another state, territory, or government duly authorized to receive the same and effecting reciprocal interchange of similar information with the division, it shall be the duty of the bureau to furnish all information in its possession pertaining to the identification of any person. If the bureau has a sealed record on the arrested person, it shall notify the requesting peace officer of that fact and of the right to seek a court order to open the record for purposes of law enforcement. A criminal justice agency shall be notified, upon request, of the existence and contents of a sealed record containing conviction information about an applicant for employment. For purposes of this section a "criminal justice agency" means courts or a government agency that performs the administration of criminal justice under statutory authority.

Sec. 16. Minnesota Statutes 2000, section 299C.61, is amended by adding a subdivision to read:

Subd. 8a. [CONVICTION.] "Conviction" means a criminal conviction or an adjudication of delinquency for an offense that would be a crime if committed by an adult.

Sec. 17. Minnesota Statutes 2000, section 386.20, is amended by adding a subdivision to read:

Subd. 4. [DATA CLASSIFICATION.] Certificates of discharge recorded with the county recorder under this section are private data on individuals as defined in section 13.02, but are accessible to a personal representative of the estate, guardian or conservator, or agent of the subject of the data.

Sec. 18. Minnesota Statutes 2000, section 611A.19, is amended to read:

611A.19 [TESTING OF SEX OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) Upon the request or with the consent of the victim, the prosecutor shall make a motion in camera and the sentencing court shall issue an order requiring an adult convicted of or a juvenile adjudicated delinquent for violating section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or any other violent crime, as defined in section 609.1095, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

(1) the crime involved sexual penetration, however slight, as defined in section 609.341, subdivision 12; or

(2) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during the commission of the crime in a manner which has been demonstrated epidemiologically to transmit the human immunodeficiency virus (HIV).

(b) When the court orders an offender to submit to testing under paragraph (a), the court shall order that the test be performed by an appropriate health professional who is trained to provide the counseling described in section 144.7414, and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services, except in the medical record maintained by the department of corrections.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of a test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.7414. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.384 or 144.335 and destroyed, except for those medical records maintained by the department of corrections.

Sec. 19. Laws 1997, First Special Session chapter 3, section 27, as amended by Laws 1999, chapter 243, article 5, section 45, is amended to read:

Sec. 27. [TAXPAYER'S PERSONAL INFORMATION; DISCLOSURE.]

(a) An owner of property in Washington or Ramsey county that is subject to property taxation must be informed in a clear and conspicuous manner in writing on a form sent to property taxpayers that the property owner's name, address, and other information may be used, rented, or sold for business purposes, including surveys, marketing, and solicitation.

(b) If the property owner so requests on the form provided, then any such list generated by the county and sold for business purposes must exclude the owner's name and address if the business purpose is conducting surveys, marketing, or solicitation.

(c) This section expires August 1, ~~2004~~ 2003.

Sec. 20. [EMERGENCY MEDICAL SERVICES STUDY.]

Data on an emergency medical services provider organization, private or nonprofit payor, or provider that are collected and maintained as part of a study of emergency medical services required by the legislature during the 2001 legislative session are private data on individuals or nonpublic data as defined in Minnesota Statutes, section 13.02.

Sec. 21. [REPEALER.]

Minnesota Statutes 2000, sections 13.081 and 13.5921, are repealed.

Sec. 22. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to government data; classifying data; codifying temporary classifications; including metropolitan area towns under the data practices act; clarifying effect of advisory opinions; modifying records management requirements; removing sunset on law governing access to juvenile records for gang investigations; extending authority for special law governing property taxpayer data; amending Minnesota Statutes 2000, sections 13.02, subdivision 11; 13.072, subdivision 2; 13.08, subdivision 4; 13.32, by adding a subdivision; 13.322, subdivision 3; 13.59; 13.594; 13.719, by adding a subdivision; 13.785, by adding a subdivision; 136A.243, by adding a subdivision; 138.17, subdivision 7; 182.659, subdivision 8; 260B.171, subdivision 1; 299C.095, subdivision 1; 299C.13; 299C.61, by adding a subdivision; 386.20, by adding a subdivision; 611A.19; Laws 1997, First Special Session chapter 3, section 27, as amended; repealing Minnesota Statutes 2000, sections 13.081; 13.5921."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 2005: A bill for an act relating to highways; designating the State Trooper Theodore "Ted" Foss Memorial Highway; amending Minnesota Statutes 2000, section 161.14, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 1772: A bill for an act relating to highways; restricting outdoor advertising on C. Elmer Anderson Memorial Highway; amending Minnesota Statutes 2000, section 161.14, subdivision 45.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 2010: A bill for an act relating to traffic regulations; providing certain exemptions for seasonal highway weight restrictions; amending Minnesota Statutes 2000, section 169.87, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was re-referred

S.F. No. 635: A bill for an act relating to appropriations; children, families, and learning; appropriating money for a grant to provide transitional housing services.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 7 and 8, delete the new language

Page 1, line 9, delete everything before "is" and insert "\$25,000"

Page 1, delete line 10 and insert "Minnesota housing finance agency for a grant to Perspective, Inc. to provide transitional housing services"

Page 1, line 11, delete "purpose"

Amend the title as follows:

Page 1, lines 2 and 3, delete "children, families, and learning" and insert "Minnesota housing finance agency"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Marty from the Committee on Judiciary, to which was re-referred

S.F. No. 1397: A bill for an act relating to health and human services; changing requirements to background studies for licensed programs; amending Minnesota Statutes 2000, sections 13.46, subdivision 4; 144.057; 241.021, subdivision 1; 245A.02, subdivisions 1, 9, by adding a subdivision; 245A.03, subdivision 2, by adding a subdivision; 245A.035, subdivision 1; 245A.04, subdivisions 3, 3a, 3b, 3d, 6, 11, by adding a subdivision; 245A.06, subdivision 6; 245A.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Rules, parts 9543.3000; 9543.3010; 9543.3020; 9543.3030; 9543.3040; 9543.3050; 9543.3060; 9543.3080; 9543.3090.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 2 and 3, delete the new language

Page 2, line 4, delete "and applicants" and after the first comma, insert "date of receipt of a completed application, dates of licensure,"

Page 2, line 12, delete "and applicants for licensure"

Page 2, line 17, delete the third semicolon

Page 2, line 18, strike "and" and insert a semicolon

Page 2, line 21, strike "disciplinary" and insert "licensing" and after "action" insert "; and the status of any appeal of these actions" and delete "or applicant"

Page 2, line 22, delete "for licensure"

Page 2, line 24, delete "or applicant"

Page 2, line 25, after the period, insert "For purposes of this clause, a person is a substantiated perpetrator if the maltreatment determination has been upheld under section 626.556, subdivision 10i, 626.557, subdivision 9d, or 256.045, or an individual or facility has not timely exercised appeal rights under these sections."

Page 2, line 26, after "(2)" insert "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."

(3) For applicants who are denied 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, the date of denial of the application, the nature of the basis for the denial, and the status of any appeal of the denial.

(4)"

Pages 5 to 8, delete section 3

Page 12, line 20, delete the new language and insert "260C.007, subdivision 14"

Page 14, line 15, after "apply" insert "only"

Page 37, line 3, after "time" insert "for cause"

Page 38, line 5, delete "as" and insert "an"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "241.021, subdivision 1;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Judiciary, to which was re-referred

S.F. No. 880: A bill for an act relating to human services; changing provisions for licensing background studies; amending Minnesota Statutes 2000, sections 13.46, subdivision 4; 144.057, subdivision 3; 214.104; 245A.04, subdivisions 3a, 3b, 3c, 3d; 245A.05; 245A.06; 245A.07; 245A.08; 256.045, subdivisions 3, 3b, 4; 626.556, subdivision 10i; 626.557, subdivisions 3, 9d; 626.5572, subdivision 17.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 29, after the second comma, insert "the department of corrections,"

Page 3, after line 33, insert:

"(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."

Page 6, after line 18, insert:

"Sec. 4. Minnesota Statutes 2000, section 245A.03, subdivision 2b, is amended to read:

Subd. 2b. [EXCEPTION.] The provision in subdivision 2, clause (2), does not apply to:

(1) a child care provider who as an applicant for licensure or as a license holder has received a license denial under section 245A.05, a fine conditional license under section 245A.06, or a sanction under section 245A.07 from the commissioner that has not been reversed on appeal; or

(2) a child care provider, or a child care provider who has a household member who, as a result of a licensing process, has a disqualification under this chapter that has not been set aside by the commissioner."

Page 15, line 21, after the headnote, insert "(a) Notwithstanding subdivision 3b, paragraphs (e) and (f)," and reinstate the stricken language

Page 15, lines 22 and 23, reinstate the stricken language

Page 15, line 24, reinstate the stricken language and after the reinstated period, insert "If the disqualification which was not set aside was based on a maltreatment determination, the scope of the contested case hearing includes the maltreatment determination and the disqualification. In these cases, a fair hearing as defined in section 256.045 must not be conducted."

Page 15, lines 25 and 26, reinstate the stricken language

Page 15, line 27, reinstate the stricken language and delete "(a)"

Page 15, line 34, after "section" insert "245A.05 or"

Page 22, line 11, after the period, insert "The commissioner shall concurrently send this notice to the individual."

Page 32, line 25, delete "conclusive" and insert "the final agency action"

Page 33, line 4, after the period, insert "In the case of a licensing sanction issued to a facility based on a maltreatment determination regarding an individual who is not the license holder or a household member, the scope of the administrative law judge's review includes the maltreatment determination."

Page 34, after line 31, insert:

"Sec. 13. Minnesota Statutes 2000, 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, to recommend denial of applicants under section 245A.05, to issue correction orders, to issue variances, and recommend ~~fin~~ a conditional license under section 245A.06, or to recommend suspending, or revoking, ~~and making~~ licenses ~~probationary~~ 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.

(b) For family day care programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

Sec. 14. Minnesota Statutes 2000, section 245B.08, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS AVAILABLE.] Nothing in this subdivision shall be construed to limit the commissioner's authority to suspend, or revoke, ~~or make conditional~~ a license or issue a fine at any time a license under section 245A.07; make correction orders and ~~require fines~~ make a license conditional for failure to comply with applicable laws or rules under section 245A.06; or deny an application for license under section 245A.05."

Page 42, line 30, delete "medical"

Page 42, line 31, delete "or mental health care" and insert "the care of a physician"

Page 42, line 32, after "reporter" insert "or facility at any time"

Page 42, line 36, delete "report must include" and insert "reporter or facility may provide to the common entry point or directly to the lead agency"

Page 45, line 31, delete "shall" and insert "must not"

Page 47, line 24, delete "medical or mental health"

Page 47, line 25, delete "care" and insert "the care of a physician"

Page 47, line 33, delete "is" and insert "can be reasonably expected to be"

Page 47, line 34, delete "within 30 days"

Page 48, line 2, delete ", subdivision 3"

Page 48, line 21, delete everything after "then" and insert "the facility is subject to a correction order. This must not alter the lead agency's determination of mitigating factors under section 626.557, subdivision 9c, paragraph (c)."

Page 48, delete lines 22 to 24

Page 48, after line 32, insert:

"Sec. 23. [WAIVER FROM FEDERAL RULES AND REGULATIONS.]

By January 2002, the commissioner of health shall work with providers to examine federal rules and regulations prohibiting neglect, abuse, and financial exploitation of residents in licensed nursing facilities and shall apply for federal waivers to:

(1) allow the use of Minnesota Statutes, section 626.5572, to control the identification and prevention of maltreatment of residents in licensed nursing facilities, rather than the definitions under federal rules and regulations; and

(2) allow the use of Minnesota Statutes, sections 214.104, 245A.04, and 626.557, to control the disqualification or discipline of any persons providing services to residents in licensed nursing facilities, rather than the nurse aide registry or other exclusionary provisions of federal rules and regulations.

Sec. 24. [EFFECTIVE DATES.]

(a) Sections 20, paragraph (g); and 21, are effective the day following final enactment.

(b) Sections 1; 3; 5; 8; 19; and 22, are effective July 1, 2001.

(c) Sections 2; 4; 6; 7; 9 to 18; and 20, paragraphs (a), (b), (e), and (f), are effective January 1, 2002."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the second semicolon, insert "245A.03, subdivision 2b;"

Page 1, line 6, after "245A.08;" insert "245A.16, subdivision 1; 245B.08, subdivision 3;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 1768: A bill for an act relating to transportation; appropriating money for grants to interregional trunk highway corridor coalitions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 9, 12, 18, and 23, delete "trunk"

Page 1, line 16, after "must" insert "(1)"

Page 1, line 19, delete everything after "corridor" and insert "and, in the case of a corridor in the metropolitan area, the metropolitan council, and (2) provide matching funds equal to the state contribution"

Page 1, delete line 20

Page 1, line 21, delete everything before the period

Amend the title as follows:

Page 1, line 3, delete "trunk"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Pappas from the Committee on Education, to which was referred

S.F. No. 866: A bill for an act relating to education; providing for family and early childhood education, children and family support programs, prevention, and self-sufficiency and lifelong learning; providing for kindergarten through grade 12 general education, education excellence, special programs, facilities and technology, libraries; and advisory committees and miscellaneous kindergarten through grade 12 education provisions; providing for rulemaking; amending Minnesota Statutes 2000, sections 13.32, subdivision 3; 13.43, by adding a subdivision; 15.059, subdivision 5a; 16B.616, subdivision 4; 119A.05, subdivision 2; 119A.43, subdivision 1; 119B.011, subdivisions 7 and 19; 119B.02, subdivision 1; 120A.22, subdivisions 7, 10, and 11; 120B.30, subdivision 1; 122A.16; 122A.18, subdivision 4, and by adding a subdivision; 122A.20, subdivision 1; 122A.24, subdivision 3; 122A.25, by adding a subdivision; 122A.31, subdivision 2; 122A.64; 123A.442, subdivision 2; 123B.03, subdivision 1; 123B.143, subdivision 1; 123B.42, subdivision 3; 123B.44, subdivision 6; 123B.57, subdivisions 3 and 6; 123B.71, subdivisions 1, 4, 8, and 9; 123B.75, subdivision 5, and by adding a subdivision; 124D.03, subdivision 4; 124D.10, subdivisions 4 and 8; 124D.59, subdivision 2; 124D.80, subdivisions 1, 2, and 3; 124D.84, subdivision 1; 124D.892, subdivisions 1 and 3; 124D.894; 125A.023, subdivision 4; 125A.027, by adding a subdivision; 125A.09, subdivision 11; 125A.11, subdivision 3; 125A.27, subdivision 15; 125A.28; 125A.515; 125A.76, subdivisions 1 and 2; 126C.05, subdivision 1; 126C.10, subdivisions 1 and 9; 126C.12, subdivisions 2, 3, 4, 5, and by adding a subdivision; 126C.17, subdivisions 1, 6, 9, 10, and 11; 126C.23, subdivision 5; 126C.41, subdivision 3; 126C.43, subdivision 3; 127A.30; 127A.41, subdivision 5; 127A.42; 127A.50, subdivision 2; 134.31, subdivision 5; 179A.20, subdivision 3; and 626.556, subdivisions 2, 3, 4, 7, 10, 10b, 10d, 10e, 10i, 10j, and 11; Laws 1992, chapter 499, article 7, section 31, as amended; Laws 2000, chapter 489, article 2, section 39, subdivision 2; article 3, section 25, subdivision 5; repealing Minnesota Statutes 2000, sections 123B.71, subdivisions 3 and 10; 124D.07; 126C.01, subdivision 10; 126C.10, subdivisions 12 and 23; 126C.16, subdivision 2; 126C.17, subdivision 12; 126C.18; 126C.22; 126C.30; 126C.31; 126C.32; 126C.33; 126C.34; 126C.35; 126C.36; 126C.42, subdivisions 2 and 3; 126C.47; 127A.44; Minnesota Rules, parts 3501.0280, subpart 3; 3530.2610; 3530.2612; 3530.2614; 3530.2616; 3530.2618; 3530.2620; 3530.2622; 3530.2624; 3530.2626; 3530.2628; 3530.2630; 3530.2632; 3530.2634; 3530.2636; 3530.2638; 3530.2640; 3530.2642; and 3530.2644.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

EARLY CHILDREN PROGRAMS

Section 1. Minnesota Statutes 2000, section 119A.05, subdivision 2, is amended to read:

Subd. 2. [ACCOUNT.] A consolidated funding account is established under the control of the commissioner of children, families, and learning. The purpose of this account is to clearly identify and provide accountability for funds previously distributed to local grantees through the individual categorical grant programs in subdivision 5. ~~By direction of the commissioner, after consultation with the partnership planning team and,~~ Upon a finding that the conditions specified in this section have been satisfied, the commissioner shall direct that funds must be transmitted to this account and allocated to local grantees by the commissioner.

Sec. 2. Minnesota Statutes 2000, section 119A.43, subdivision 11, is amended to read:

Subd. 11. [AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.] The commissioner may waive requirements under this section for up to nine months after the disaster for grantees in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12. The commissioner shall notify the chairs of the ~~senate family and early childhood education budget division, the senate education finance committee, the house family and early childhood education finance division, the house education committee, and the house ways and means committee~~ the appropriate legislative committees ten days before the effective date of any waiver granted under this section.

Sec. 3. Minnesota Statutes 2000, section 119B.011, subdivision 7, is amended to read:

Subd. 7. [CHILD CARE SERVICES.] "Child care services" means child care as defined under subdivision 5, ~~provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, head start, and extended day school age child care programs in or out of the child's home.~~

Sec. 4. Minnesota Statutes 2000, section 119B.011, subdivision 19, is amended to read:

Subd. 19. [PROVIDER.] "Provider" means ~~a child care license holder who operates a family child care home, a group family child care home, a child care center, a nursery school, a day nursery, a school age care program; a license exempt school age care program operating under the auspices of a local school board or a park or recreation board of a city of the first class that has adopted school age care guidelines which meet or exceed guidelines recommended by the department, or a nonlicensed individual or child care center or facility either licensed or unlicensed providing legal child care services as defined under section 245A.03. A legally unlicensed registered family child care provider who is~~ must be at least 18 years of age, and ~~who is not a member of the MFIP assistance unit or a member of the family receiving child care assistance under this chapter.~~

Sec. 5. Minnesota Statutes 2000, section 119B.02, subdivision 1, is amended to read:

Subdivision 1. [CHILD CARE SERVICES.] The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The rules shall provide that funds received as a lump sum payment of child support arrearages shall not be counted as income to a family in the month received but shall be prorated over the 12 months following receipt and added to the family income during those months. ~~In the rules adopted under this section, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child's regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall direct the county agency to set limits and pay for absences according to the prevailing market practice in the county. County policies for payment of absences shall be subject to the approval of the commissioner. The commissioner shall maximize the use of federal money under title I and title IV of Public Law Number 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and other programs that provide federal or state reimbursement for child care services for low-income families who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.~~

Sec. 6. Minnesota Statutes 2000, section 119B.26, is amended to read:

119B.26 [AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.]

The commissioner may waive requirements under this chapter for up to nine months after the disaster in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12. The commissioner shall notify the chairs of ~~the senate family and early childhood education budget division, the senate education finance committee, the house family and early childhood education finance division, the house education committee, and the house ways and means committee~~ the appropriate legislative committees ten days before the effective date of any waiver granted under this section.

Sec. 7. Minnesota Statutes 2000, section 125A.28, is amended to read:

125A.28 [STATE INTERAGENCY COORDINATING COUNCIL.]

An interagency coordinating council of at least 17, but not more than 25 members is established, in compliance with Public Law Number 102-119, section 682. The members must be appointed by the governor. Council members must elect the council chair. The representative of the commissioner may not serve as the chair. The council must be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, local Head Start director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, children, families, and learning, health, human services, a representative from the state agency responsible for child care, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council must meet at least quarterly.

The council must address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

By ~~June~~ September 1, the council must recommend to the governor and the commissioners of children, families, and learning, health, human services, commerce, and economic security policies for a comprehensive and coordinated system.

Notwithstanding any other law to the contrary, the state interagency coordinating council expires on June 30, ~~2004~~ 2003.

Sec. 8. [FINANCIAL ASSISTANCE FOR COMMUNITY ACTION AGENCIES; RULES.]

The commissioner of children, families, and learning may adopt rules consistent with chapter 14 to allow community action agencies, Indian reservations, and migrant and seasonal farmworker organizations to meet their statutory responsibilities under Minnesota Statutes, section 119A.374.

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2000, section 119A.15, subdivision 5a, is amended to read:

Subd. 5a. [EXCLUDED PROGRAMS.] Programs transferred to the department of children, families, and learning from the department of economic security may not be included in the consolidated funding account and are ineligible for local consolidation. The commissioner may not apply for federal waivers to include these programs in funding consolidation initiatives. The programs include the following:

- (1) programs for the homeless under sections 119A.43 and 268.365;
- (2) ~~emergency energy assistance and energy conservation programs under sections 119A.40 and 119A.42;~~
- (3) ~~weatherization programs under section 119A.41;~~
- (4) foodshelf programs under section 119A.44 and the emergency food assistance program; and
- (5) (3) lead abatement programs under section 119A.45.

Sec. 2. Minnesota Statutes 2000, section 119A.43, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Transitional housing" means housing designed for independent living and provided to a homeless person or family at a rental rate of at least 25 percent of the family income and, for 50 percent of program participants, the length of stay is limited to a period of up to 24 months. If a transitional housing program is associated with a licensed facility or shelter, it must be located in a separate facility or a specified section of the main facility where residents can be responsible for their own meals and other daily needs.

(c) "Support services" means an assessment service that identifies the needs of individuals for independent living and arranges or provides for the appropriate educational, social, legal, advocacy, child care, employment, financial, health care, or information and referral services to meet these needs.

Sec. 3. [REPEALER.]

Minnesota Statutes 2000, section 119A.43, subdivision 6, is repealed.

ARTICLE 3

GENERAL EDUCATION

Section 1. Minnesota Statutes 2000, section 123B.143, subdivision 1, is amended to read:

Subdivision 1. [CONTRACT; DUTIES.] All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the

grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

(1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(2) recommend to the board employment and dismissal of teachers;

(3) superintend school grading practices and examinations for promotions;

(4) make reports required by the commissioner;

(5) by January 10, submit an annual report to the commissioner in a manner prescribed by the commissioner, in consultation with school districts, ~~identifying the expenditures that the district requires to ensure an 80 percent and a 90 percent student passage rate on the basic standards test taken in the eighth grade, identifying the highest student passage rate the district expects it will be able to attain on the basic standards test by grade 12, the amount of expenditures that the district requires to ensure a 99 percent attain the targeted student passage rate on the basic standards test by 12th grade, and how much the district is cross-subsidizing programs with special education, basic skills, and general education revenue; and~~

(6) perform other duties prescribed by the board.

Sec. 2. Minnesota Statutes 2000, section 123B.42, subdivision 3, is amended to read:

Subd. 3. [COST; LIMITATION.] (a) The cost per pupil of the textbooks, individualized instructional or cooperative learning materials, and standardized tests provided for in this section for each school year must not exceed the statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department by ~~March~~ February 1 of the preceding school year from the most recent public school year data then available.

(b) The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the formula allowance, pursuant to section 126C.10, subdivision 2, from the second preceding school year to the current school year.

(c) The commissioner shall allot to the districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional or cooperative learning materials, and standardized tests for the pupils in each nonpublic school. The allotment shall not exceed the product of the statewide average expenditure per pupil, according to clause (a), adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

Sec. 3. Minnesota Statutes 2000, section 123B.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF MAXIMUM ALLOTMENTS.] For purposes of computing maximum allotments for each school year pursuant to this section, the average public school expenditure per pupil for health services and the average public school expenditure per secondary pupil for guidance and counseling services shall be computed and established by the department by ~~March~~ February 1 of the preceding school year from the most recent public school year data then available.

Sec. 4. Minnesota Statutes 2000, section 123B.75, subdivision 5, is amended to read:

Subd. 5. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district.

(b) In June of each year 2001, 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) 31 percent of the referendum levy certified in the prior calendar year according to section 126C.17, subdivision 9; plus

(ii) the entire amount of the levy certified in the prior calendar year according to sections 124D.86, subdivision 4, for school districts receiving revenue under 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, and 3, paragraphs (4), (5), and (6); 126C.43, subdivision 2; and 126C.48, subdivision 6.

(c) For fiscal year 2002 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 lesser of 50 percent of the referendum levy certified in the prior calendar year according to section 126C.17, subdivision 9; 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 sections 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, and 3, paragraphs (4), (5), and (6); 126C.43, subdivision 2; and 126C.48, subdivision 6.

[EFFECTIVE DATE.] This section is effective June 30, 2001.

Sec. 5. Minnesota Statutes 2000, section 123B.75, is amended by adding a subdivision to read:

Subd. 6b. [GENERAL EDUCATION AID.] If the amount to be recognized as revenue under subdivision 5 exceeds the May, June, and July school district tax settlement revenue received in that calendar year, the district must recognize an amount of general education aid equal to the difference between the total amount to be recognized as revenue under subdivision 5, and the May, June, and July school district tax settlement revenue received in that calendar year as revenue in the previous fiscal year.

[EFFECTIVE DATE.] This section is effective June 30, 2001.

Sec. 6. Minnesota Statutes 2000, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each Minnesota resident pupil in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or 124D.68; in a charter school under section 124D.10; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 times 1.25 with a minimum average daily membership of 0.28, but not more than 1.25 pupil units.

(b) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 825 times 1.25.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as .557 of a pupil unit for fiscal year 2000 and thereafter.

(e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal year 2000 and thereafter.

(f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

Sec. 7. Minnesota Statutes 2000, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION REVENUE.] For fiscal year 2000 and thereafter, the general education revenue for each district equals the sum of the district's basic revenue, basic skills revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, ~~referendum offset adjustment~~, transition revenue, and supplemental revenue.

[EFFECTIVE DATE.] This section is effective for revenue for fiscal year 2002.

Sec. 8. Minnesota Statutes 2000, section 126C.10, subdivision 9, is amended to read:

Subd. 9. [SUPPLEMENTAL REVENUE.] (a) A district's supplemental revenue allowance for fiscal year 1994 2002 and later fiscal years equals the district's supplemental revenue allowance for fiscal year 1993 ~~divided by the district's 1992-1993 resident pupil units~~ 2001.

(b) ~~A district's supplemental revenue allowance is reduced for fiscal year 1995 and later according to subdivision 12.~~

(c) A district's supplemental revenue equals the supplemental revenue allowance, if any, times its adjusted marginal cost pupil units for that year.

(d) ~~A district may cancel its supplemental revenue by notifying the commissioner of education prior to June 30, 1994. A district that is reorganizing under section 123A.35, 123A.46, or 123A.48 may cancel its supplemental revenue by notifying the commissioner of children, families, and learning before July 1 of the year of the reorganization. If a district cancels its supplemental revenue according to this paragraph, its supplemental revenue allowance for fiscal year 1993 for purposes of subdivision 12 and section 124A.03, subdivision 3b, equals zero.~~

[EFFECTIVE DATE.] This section is effective for revenue for fiscal year 2002.

Sec. 9. Minnesota Statutes 2000, section 126C.17, subdivision 1, is amended to read:

Subdivision 1. [REFERENDUM ALLOWANCE.] A district's referendum revenue allowance equals the referendum revenue authority for that year ~~divided by its resident marginal cost pupil~~

~~units for that school year~~ sum of the allowance under section 126C.16, subdivision 2, plus any additional allowance per resident marginal cost pupil unit authorized under subdivision 9 for fiscal year 2002 and later.

[EFFECTIVE DATE.] This section is effective for revenue for fiscal year 2002.

Sec. 10. Minnesota Statutes 2000, section 126C.17, subdivision 6, is amended to read:

Subd. 6. [REFERENDUM EQUALIZATION LEVY.] ~~(a) A district's referendum equalization levy for a referendum levied against the referendum market value of all taxable property as defined in section 126C.01, subdivision 3, equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident marginal cost pupil unit to \$476,000.~~

~~(b) A district's referendum equalization levy for a referendum levied against the net tax capacity of all taxable property equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per resident marginal cost pupil unit to \$8,404.~~

[EFFECTIVE DATE.] This section is effective for revenue for fiscal year 2002.

Sec. 11. Minnesota Statutes 2000, 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 or shall be called by the board upon written petition of qualified voters of the district. 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 paragraph (g), 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 resident marginal cost pupil unit, the estimated referendum tax rate as a percentage of referendum market value in the first year it is to be levied, and that the revenue must be used to finance school operations. The ballot may state a schedule, determined by the board, of increased revenue per resident marginal cost pupil unit that differs from year to year over the number of years for which the increased revenue is authorized. If the ballot contains a schedule showing different amounts, it must also indicate the estimated referendum tax rate as a percent of referendum market value for the amount specified for the first year and for the maximum amount specified in the schedule. 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 notice required under section 275.60 may be modified to read, in cases of renewing existing levies:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU MAY BE VOTING FOR A PROPERTY TAX INCREASE."

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

(b) The board must prepare and deliver by first class mail at least 15 days but no more than 30 days before the day of the referendum to each taxpayer a notice of the referendum and the

proposed revenue increase. The board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage 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 and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes." However, in cases of renewing existing levies, the notice may include the following statement: "Passage of this referendum may result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the board and shall be called by the board upon the written petition of qualified voters of the district. A referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per resident marginal cost pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

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

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

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

~~(g) Except for a referendum held under subdivision 11, any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) must be prepared and delivered by first class mail at least 20 days before the referendum.~~

Sec. 12. Minnesota Statutes 2000, section 126C.17, subdivision 10, is amended to read:

Subd. 10. [SCHOOL REFERENDUM LEVY; MARKET VALUE.] ~~Notwithstanding the provisions of subdivision 9, A school referendum levy approved after November 1, 1992, for taxes payable in 1993 and thereafter, must be levied against the referendum market value of all taxable property as defined in section 126C.01, subdivision 3. Any referendum levy amount subject to the requirements of this subdivision must be certified separately to the county auditor under section 275.07.~~

All other provisions of subdivision 9 that do not conflict with this subdivision apply to referendum levies under this subdivision.

[EFFECTIVE DATE.] This section is effective for revenue for fiscal year 2002.

Sec. 13. Minnesota Statutes 2000, section 126C.17, subdivision 11, is amended to read:

Subd. 11. **[REFERENDUM DATE.]** (a) Except for a referendum held under paragraph (b), any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding subdivision 9, paragraph (b), to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by subdivision 9, paragraph (b), must be prepared and delivered by first-class mail at least 20 days before the referendum.

(b) In addition to the referenda allowed in subdivision 9, clause (a), the commissioner may authorize a referendum for a different day.

(a) The commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

(b) The commissioner may grant authority for a district to hold a referendum on a different day if: (1) the district will conduct a bond election under chapter 475 on that same day; and (2) the proceeds of the referendum will provide only additional operating revenue complementing the purpose for which bonding authority is sought. The commissioner may only grant authority under this paragraph if the district demonstrates to the commissioner's satisfaction that the district's ability to operate the new facility or achieve efficiencies with the purchases connected to the proceeds of the bond sale will be significantly affected if the operating referendum is not conducted until the November general election. Authority under this paragraph expires November 30, 1998.

(c) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 14. Minnesota Statutes 2000, section 126C.23, subdivision 5, is amended to read:

Subd. 5. **[DATA REPORTING.]** Each district must report to the commissioner the estimated amount of general education and referendum initially allocated to each building under subdivision 2 and the amount of any reallocations under subdivision 3 by January 30 of the current fiscal year, and the actual amount of general education and referendum revenue initially allocated to each building under subdivision 2 and the amount of any reallocations under subdivision 3 by January 30 of the next fiscal year.

Sec. 15. Minnesota Statutes 2000, section 126C.41, subdivision 3, is amended to read:

Subd. 3. **[RETIREMENT LEVIES.]** (1) In addition to the excess levy authorized in 1976 any district within a city of the first class which was authorized in 1975 to make a retirement levy under Minnesota Statutes 1974, section 275.127 and chapter 422A may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under Minnesota Statutes 1974, section 275.127 and chapter 422A, divided by the number of pupil units in the district in 1976-1977.

(2) In 1979 and each year thereafter, any district which qualified in 1976 for an extra levy under paragraph (1) shall be allowed to levy the same amount as levied for retirement in 1978 under this clause reduced each year by ten percent of the difference between the amount levied for retirement in 1971 under Minnesota Statutes 1971, sections 275.127 and 422.01 to 422.54 and the amount levied for retirement in 1975 under Minnesota Statutes 1974, section 275.127 and chapter 422A.

(3) (a) In 1991 and each year thereafter, a district to which this subdivision applies may levy an additional amount required for contributions to the Minneapolis employees retirement fund as a

result of the maximum dollar amount limitation on state contributions to the fund imposed under section 422A.101, subdivision 3. The additional levy must not exceed the most recent amount certified by the board of the Minneapolis employees retirement fund as the district's share of the contribution requirement in excess of the maximum state contribution under section 422A.101, subdivision 3.

(4) (b) For taxes payable in 1994 and thereafter, special school district No. 1, Minneapolis, and independent school district No. 625, St. Paul, may levy for the increase in the employer retirement fund contributions, under Laws 1992, chapter 598, article 5, section 1.

(5) (c) If the employer retirement fund contributions under section 354A.12, subdivision 2a, are increased for fiscal year 1994 or later fiscal years, special school district No. 1, Minneapolis, and independent school district No. 625, St. Paul, may levy in payable 1994 or later an amount equal to the amount derived by applying the net increase in the employer retirement fund contribution rate of the respective teacher retirement fund association between fiscal year 1993 and the fiscal year beginning in the year after the levy is certified to the total covered payroll of the applicable teacher retirement fund association. If an applicable school district levies under this paragraph, they may not levy under paragraph (4) (b).

(6) (d) In addition to the levy authorized under paragraph (5) (c), special school district No. 1, Minneapolis, may also levy payable in 1997 or later an amount equal to the contributions under section 423A.02, subdivision 3, and may also levy in payable 1994 or later an amount equal to the state aid contribution under section 354A.12, subdivision 3b. Independent school district No. 625, St. Paul, may levy payable in 1997 or later an amount equal to the supplemental contributions under section 423A.02, subdivision 3.

Sec. 16. Minnesota Statutes 2000, section 126C.43, subdivision 3, is amended to read:

Subd. 3. [TAX LEVY FOR UNPAID JUDGMENT.] A district may levy the amounts necessary to pay the district's obligations judgments against the district under section 126C.47 123B.25 that became final after the date the district certified its proposed levy in the previous year. With the approval of the commissioner, a district may spread this levy over a period not to exceed three years.

Sec. 17. Minnesota Statutes 2000, section 127A.41, subdivision 5, is amended to read:

Subd. 5. [DISTRICT APPEAL OF AID REDUCTION; INSPECTION OF DISTRICT SCHOOLS AND ACCOUNTS AND RECORDS.] Public schools shall at all times be open to the inspection of the commissioner. The accounts and records of any district must be open to inspection by the state auditor, or the commissioner for the purpose of audits conducted under this section. Each district shall keep for a minimum of three years at least the following: (1) identification of the annual session days held, together with a record of the length of each session day, (2) a record of each pupil's daily attendance, with entrance and withdrawal dates, and (3) identification of the pupils transported who are reported for transportation aid to-and-from school transportation category for each pupil as defined in section 123B.92, subdivision 1.

Sec. 18. Minnesota Statutes 2000, section 127A.42, is amended to read:

127A.42 [REDUCTION OF AID FOR VIOLATION OF LAW.]

Subdivision 1. [STATE AIDS.] The amount of special state aids to which a district is entitled shall be the amount computed according to statutes. The annual state aid certificate made by the commissioner to the commissioner of finance shall show the amount of any reductions made.

Subd. 2. [VIOLATIONS OF LAW.] The commissioner shall may reduce or withhold the district's special state aid for any school year whenever the board of the district authorizes or permits violations of law within the district by:

- (1) employing a teacher who does not hold a valid teaching license or permit in a public school;
- (2) noncompliance with a mandatory rule of general application promulgated by the

commissioner in accordance with statute, unless special circumstances make enforcement inequitable, impose an extraordinary hardship on the district, or the rule is contrary to the district's best interests;

(3) the district's continued performance of a contract made for the rental of rooms or buildings for school purposes or for the rental of any facility owned or operated by or under the direction of any private organization, if the contract has been disapproved, the time for review of the determination of disapproval has expired, and no proceeding for review is pending;

(4) any practice which is a violation of sections 1 and 2 of article 13 of the Constitution of the state of Minnesota;

(5) failure to reasonably provide for a resident pupil's school attendance under Minnesota Statutes; ~~or~~

(6) noncompliance with state laws prohibiting discrimination because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance or disability, as defined in section 363.03; or

(7) using funds contrary to the statutory purpose of the funds.

The reduction or withholding must be made in the amount and upon the procedure provided in this section ~~or, in the case of the violation stated in clause (1), upon the procedure provided in section 127A.43.~~

Subd. 3. [ASSURANCE OF COMPLIANCE.] (a) After consultation with the commissioner of human rights, the commissioner of children, families, and learning shall adopt rules in conformance with chapter 14. The rules must direct districts to file with the commissioner of children, families, and learning assurances of compliance with state and federal laws prohibiting discrimination. The assurances must be provided in a form and manner prescribed by the commissioner.

(b) If it appears that one or more violations of the Minnesota Human Rights Act are occurring in a district, the commissioner of human rights shall notify the commissioner of the violations, and the commissioner of children, families, and learning may then proceed pursuant to subdivision 4.

Subd. 4. [NOTICE TO BOARD.] When it appears that ~~an enumerated~~ a violation is occurring in a district, the commissioner shall notify the board of that district in writing. The notice must specify the violations, set a reasonable time within which the district must correct the specified violations, describe the correction required, and advise that if the correction is not made within the time allowed, special state aids to the district will be reduced or withheld. The time allowed for correction may be extended by the commissioner if there is reasonable ground therefor.

Subd. 5. [DISPUTE VIOLATIONS; HEARING.] The board to which such notice is given may, by a majority vote of the whole board, decide to dispute that the specified violation exists or that the time allowed is reasonable or the correction specified is correct, or that the commissioner may reduce or withhold aids. The board must give the commissioner written notice of the decision. If the commissioner, after further investigation as the commissioner deems necessary, adheres to the previous notice, the commissioner shall notify the school board of its decision. If the commissioner, after further investigation as the commissioner deems necessary, adheres to the previous notice, the board shall be entitled to a hearing by the commissioner under this subdivision and notwithstanding chapter 14. The commissioner must set a hearing time and place and the board of the district must be given notice by mail. The hearings must be designed to give a full and fair hearing and permit interested parties an opportunity to produce evidence relating to the issues involved. A stenographic record must be made of all testimony given and other proceedings during the hearing. If practicable, rules governing admission of evidence in courts shall apply to the hearing. The final decision of the commissioner must be in writing and the controlling facts upon which the decision is made must be stated in sufficient detail to apprise the parties and the reviewing court of the basis and reason for the decision. The decision must be confined to whether any of the specified violations existed at the date of the commissioner's first notice, whether the

violations were corrected within the time permitted, whether the violations require withholding or reduction of the state aids under this section, and in what amount.

Subd. 6. [VIOLATION; AID REDUCTION OR WITHHOLDING.] The commissioner shall not reduce state aids payable to the district if the violation specified is corrected within the time permitted, or if the commissioner on being notified of the district board's decision to dispute decides the violation does not exist, or if the commissioner decides after hearing no violation specified in the commissioner's notice existed at the time of the notice, or that the violations were corrected within the time permitted. Otherwise state aids payable to the district for the year in which the violation occurred shall may be reduced or withheld as follows: The total amount of state aids to which the district may be entitled shall be reduced in the proportion that the period during which a specified violation continued, computed from the last day of the time permitted for correction, bears to the total number of days school is held in the district during the year in which a violation exists, multiplied by up to 60 percent of the basic revenue, as defined in section 126C.10, subdivision 2, of the district for that year.

Subd. 7. [REDUCTION IN AIDS PAYABLE.] Reductions in aid under this section and sections 127A.41 and 127A.43 must be from general education aid. If there is not sufficient general education aid remaining to be paid for the school year in which the violation occurred, the reduction shall be from the other aids ~~listed in section 127A.44, subdivision 2,~~ that are payable to the district for that year ~~in the order in which the aids are listed in section 127A.44, subdivision 2.~~ If there is not a sufficient amount of state aids remaining payable to the district for the school year in which the violation occurred to permit the full amount of reduction required, that part of the required reduction not taken from that school year's aids will be taken from the state aids payable to the district for the next school year, and the reduction will be made from the various aids payable for the next year ~~in the order above specified.~~

Subd. 8a. [APPEAL.] A final decision of the commissioner under this section may be appealed in accordance with section 480A.06, subdivision 3.

Subd. 9. [NOTICE TO DISTRICT.] Any notice given to the board of a district will be deemed given when a copy thereof is mailed, registered, to the superintendent of the district, if there is a superintendent, and to the clerk of the board of the district. If it is shown that neither the superintendent nor the clerk in fact received such notice in the ordinary course of mail, then the time for correction will be accordingly extended by the commissioner so that a reasonable time will be allowed from actual receipt of notice for correction. If notice is sent by the commissioner with respect to a violation which is continued by the district in a succeeding year, no separate notice for that violation for the succeeding year will be required. Proceedings initiated by such notice shall include any continuing violation notwithstanding that a part thereof occurs in a year different from the year in which it started. The commissioner may require reasonable proof of the time that a violation ceased for the determination of the amount of aids to be reduced or withheld. Costs and disbursements of the review by the ~~district court~~ court of appeals, exclusive of those incurred in the administrative proceedings, may be taxed against the losing party and in the event taxed against the state must be paid from the appropriations made to the department for the payment of ~~special~~ state aids.

Sec. 19. Minnesota Statutes 2000, section 127A.50, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATION AND ESTIMATED NET SAVINGS.] The amounts necessary to pay any positive net adjustments under this section to any school district are appropriated annually from the general fund to the commissioner of children, families, and learning. ~~The estimated net general fund savings under this section is \$29,819,000 in fiscal year 1998, and \$26,997,000 in each fiscal year thereafter.~~

Sec. 20. Laws 2000, chapter 489, article 2, section 39, subdivision 2, is amended to read:

Subd. 2. [SPARSITY CORRECTION REVENUE.] For sparsity correction revenue:

\$1,030,000	2000
\$ 515,000	2001

The 2000 appropriation is available until June 30, 2001.

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

Sec. 21. Laws 2000, chapter 489, article 3, section 25, subdivision 5, is amended to read:

Subd. 5. [SPECIAL EDUCATION CROSS-SUBSIDY REVENUE.] For special education cross-subsidy revenue:

\$ 7,898,000	2000
\$18,396,000	2001

The 2000 appropriation is available until June 30, 2001.

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

Sec. 22. [REPEALER.]

(a) Minnesota Statutes 2000, sections 124D.07; 126C.01, subdivision 10; 126C.16, subdivision 2; 126C.18; 126C.22; and 127A.44, are repealed.

(b) Minnesota Statutes 2000, sections 126C.10, subdivisions 12 and 23; and 126C.17, subdivision 12, are repealed effective for revenue for fiscal year 2002.

(c) Minnesota Statutes 2000, sections 126C.42, subdivisions 2 and 3; and 126C.47, are repealed effective for taxes payable in 2002.

ARTICLE 4

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2000, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE TESTING.] (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, shall include in the comprehensive assessment system, for each grade level to be tested, a test, which shall be aligned with the state's graduation standards and administered annually to all students in the third, fifth, and eighth grades. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. Only Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills testing requirements for a passing state notation. The passing scores of the state tests in reading and mathematics are the equivalent of:

(1) 70 percent correct for students entering grade 9 in 1996; and

(2) 75 percent correct for students entering grade 9 in 1997 and thereafter, as based on the first uniform test administration of February 1998.

~~Notwithstanding Minnesota Rules, part 3501.0050, subpart 2, at the written request of a parent or guardian, and with the recommendation of the student's teacher, a district may offer the test of basic requirements in reading, math, or writing to an individual student beginning in grade 5. The student must take the same test on the same date as administered to students in eighth grade or higher.~~ (b) Third and fifth grade test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must disseminate to the public the third and fifth grade test results upon receiving those results.

~~(b)~~ (c) In addition, at the secondary level, districts shall assess student performance in all required learning areas and selected required standards within each area of the profile of learning. The testing instruments and testing process shall be determined by the commissioner. The results shall be aggregated at the site and district level. The testing shall be administered beginning in the 1999-2000 school year and thereafter.

~~(e)~~ (d) The commissioner shall report school site and school district student academic

achievement levels of the current and two immediately preceding school years. The report shall include students' unweighted mean test scores in each tested subject, the unweighted mean test scores of only those students enrolled in the school by January 1 of the previous school year, and the unweighted test scores of all students except those students receiving limited English proficiency instruction. The report also shall record separately, in proximity to the reported performance levels, the percentages of students who are eligible to receive a free or reduced price school meal, demonstrate limited English proficiency, or are eligible to receive special education services.

~~(d)~~ (e) In addition to the testing and reporting requirements under paragraphs (a), (b), and (c), and ~~(d)~~, the commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide testing of all third, fifth, eighth, and post-eighth grade students that provides exemptions, only with parent or guardian approval, for those very few students for whom the student's individual education plan team under sections 125A.05 and 125A.06, determines that the student is incapable of taking a statewide test, or for a limited English proficiency student under section 124D.59, subdivision 2, if the student has been in the United States for fewer than 12 months and for whom special language barriers exist, such as the student's native language does not have a written form or the district does not have access to appropriate interpreter services for the student's native language;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) students' scores on the American College Test; and

(4) participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

~~(e)~~ (f) Districts must report exemptions under paragraph ~~(d)~~ (e), clause (1), to the commissioner consistent with a format provided by the commissioner.

Sec. 2. Minnesota Statutes 2000, section 122A.24, subdivision 3, is amended to read:

Subd. 3. [PROGRAM APPROVAL.] (a) The board of teaching must approve alternative preparation programs based on criteria adopted by the board.

~~(b) An alternative preparation program at a school district, group of schools, or an education district must be affiliated with a post-secondary institution that has a teacher preparation program. The board shall permit demonstration of licensure competencies in school-based and other nontraditional pathways to teacher licensure.~~

Sec. 3. Minnesota Statutes 2000, section 122A.25, is amended by adding a subdivision to read:

Subd. 4. [BACKGROUND CHECK.] A school district or charter school shall provide the board of teaching with confirmation that criminal background checks have been completed for all nonlicensed community experts employed by the district or charter school and approved by the board of teaching under this section.

Sec. 4. [122A.275] [ALTERNATIVE COMPETENCY-BASED LICENSING FOR SCHOOL ADMINISTRATORS.]

Subdivision 1. [COMMISSIONER APPROVAL.] Notwithstanding other law to the contrary, the commissioner of children, families, and learning, subject to the requirements under subdivision 2, shall approve competency-based administrative licensure programs offered by organizations other than colleges and universities that prepare people to serve as community education directors, special education directors, principals, or superintendents.

Subd. 2. [ORGANIZATION REQUIREMENTS.] (a) Organizations seeking approval to prepare persons for licensure under this section shall submit to the commissioner the following information in the form and manner the commissioner prescribes:

- (1) verify the organization's commitment to the licensure program;
- (2) describe the procedures for implementing the licensure program;
- (3) describe the role for which persons who enroll in the licensure program are being prepared;
and

(4) list, for the applicable licensure area, specific references to the competencies required by Minnesota Rules, part 3512.0500, subparts 2 to 22, for principals; part 3512.1100, subparts 2 to 7, for superintendents; part 3512.3500, subparts 2 and 3, items A to G, for community education directors; or part 3512.4000, subpart 2, item A, and subpart 3, items A and B, for directors of special education.

(b) The administrative licensure program must be competency based, and include a preassessment and postassessment evaluation of the applicant's competence. Administrative licensure program officials must develop, with the applicant, a personalized learning plan to ensure that the applicant develops a high level of competence in the applicant's respective licensure area.

(c) The administrative licensure program must require the program applicant to successfully complete a practicum of at least 320 hours under the immediate supervision of a person holding the licensure for which the applicant is applying.

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

Sec. 5. Minnesota Statutes 2000, section 122A.41, is amended by adding a subdivision to read:

Subd. 5a. [PROBATIONARY PERIOD FOR PRINCIPALS HIRED INTERNALLY.] A board and the exclusive representative of the school principals in the district may negotiate a plan for a probationary period of up to two school years for licensed teachers employed by the board who are subsequently employed by the board as a licensed school principal.

[EFFECTIVE DATE.] This section is effective for the 2001-2002 school year and following.

Sec. 6. Minnesota Statutes 2000, section 122A.41, subdivision 7, is amended to read:

Subd. 7. [HEARING OF CHARGES AGAINST TEACHER.] The charges against a teacher must be in writing and signed by the person making the same and then filed with the secretary or clerk of the school board having charge of the school in which the teacher is employed. Before the school board, before discharging or demoting discharges or demotes a teacher, must then accord the teacher against whom charges have been filed a full hearing and give to the teacher at least ten days' notice in writing of the time and place of such hearing. The notice may be served personally or sent by certified mail addressed to the teacher at the teacher's last known post office address. the board must notify the teacher in writing and state in reasonable detail its grounds for the proposed discharge or demotion, together with a statement that the teacher may request in writing within ten days after receiving the notice a hearing before the board. The board may have the notice served personally or may send it by certified mail addressed to the teacher at the teacher's last known post office address. The teacher, under subdivision 13, also may elect a hearing before an arbitrator instead of the school board. Within ten days after receiving the notice the teacher may request in writing a hearing before the board or an arbitrator and it shall be granted. The teacher must be given reasonable notice of the time and place of the hearing before final action is taken. A teacher who fails to request a hearing within ten days is considered to acquiesce in the board's action. If the charge is made by a person not connected with the school system the charge may be disregarded by the school board. If the grounds are those specified in subdivision 6, clause (1), (2), (3), or (4), the notice must also state a teacher may request arbitration under subdivision 13. At the hearing, the school board or arbitrator shall hear all evidence that may be adduced in support of the charges and for the teacher's defense to the charges. Either party has the right to have a written

record of the hearing at the expense of the board and to have witnesses subpoenaed and all witnesses so subpoenaed must be examined under oath. Any member of the school board conducting such a hearing has authority to issue subpoenas and to administer oaths to witnesses.

[EFFECTIVE DATE.] This section is effective for the 2002-2003 school year and following.

Sec. 7. Minnesota Statutes 2000, section 122A.41, subdivision 13, is amended to read:

Subd. 13. [HEARING AND DETERMINATION BY ARBITRATOR.] A teacher against whom charges have been filed alleging any cause for discharge or demotion specified in subdivision 6, clause (1), (2), (3), or (4), may elect a hearing before an arbitrator instead of the school board. The hearing is governed by this subdivision.

(a) The teacher must make a written request for a hearing before an arbitrator within ten days after receiving a written notice of the filing of charges required by subdivision 7. Failure to request a hearing before an arbitrator during this period is considered acquiescence to a hearing before the board's action.

(b) If the teacher and the school board are unable to mutually agree on an arbitrator, the board must request from the bureau of mediation services a list of five persons to serve as an arbitrator. If the teacher and the school board are unable to mutually agree on an arbitrator from the list provided, the parties shall alternately strike names from the list until the name of one arbitrator remains. The person remaining after the striking procedure must be the arbitrator. If the parties are unable to agree on who shall strike the first name, the question must be decided by a flip of a coin. The teacher and the board must share equally the costs and fees of the arbitrator.

(c) The arbitrator shall determine, by a preponderance of the evidence, whether the causes specified in subdivision 6, clause (1), (2), (3), or (4), exist to support the proposed discharge or demotion. A lesser penalty than discharge or demotion may be imposed by the arbitrator only to the extent that either party proposes such lesser penalty in the proceeding. In making the determination, the arbitration proceeding is governed by sections 572.11 to 572.17 and by the collective bargaining agreement applicable to the teacher.

(d) An arbitration hearing conducted under this subdivision is a meeting for preliminary consideration of allegations or charges within the meaning of section 13D.05, subdivision 3, paragraph (a), and must be closed, unless the teacher requests it to be open.

(e) The arbitrator's decision is final and binding on the parties, subject to sections 572.18 to 572.26.

[EFFECTIVE DATE.] This section is effective for the 2002-2003 school year and following.

Sec. 8. Minnesota Statutes 2000, section 122A.64, is amended to read:

122A.64 TEACHERS OF COLOR MULTICULTURAL EDUCATORS PROGRAM.

Subdivision 1. [DEFINITION.] For purposes of this section, ~~"people of color" means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Hispanic~~ "multicultural educator" means a person with significant personal or professional experience with communities of color and an interest in teaching to enhance the educational achievement and success of Minnesota's multicultural schools.

Subd. 2. [GRANTS.] The commissioner of children, families, and learning in consultation with the desegregation/integration advisory board established in section 124D.892, subdivision 3, shall award grants for professional development programs to recruit and educate ~~people of color~~ multicultural educators in the field of education, including early childhood and parent education. Grant applicants must be a school district with a growing minority population working in collaboration with a state institution of higher education with an approved teacher licensure program or an approved early childhood or parent education licensure program.

Subd. 3. [PROGRAM REQUIREMENTS.] (a) A grant recipient must recruit ~~persons of color~~

multicultural educators to be teachers in elementary, secondary, early childhood or parent education, and provide support in linking program participants with jobs in the recipient's school district.

(b) A grant recipient must establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, must recruit high school students and other persons, including educational paraprofessionals, support them through the higher education application and admission process, advise them while enrolled and link them with support resources in the college or university and the community.

(d) A grant recipient must award stipends to ~~students of color~~ multicultural educator program participants enrolled in an approved licensure program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based on a student's financial need and students must apply for any additional financial aid they are eligible for to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to teach in the grantee school district for at least two years after licensure. If the district has no licensed positions open, the student may teach in another district in Minnesota.

(e) The commissioner of children, families, and learning shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of ~~students of color~~ multicultural educator program participants in teaching;

(2) whether grant recipients will recruit paraprofessionals from the district to work in its schools; and

(3) whether grant recipients will establish or have a mentoring program for ~~students of color~~ multicultural educator program participants.

Sec. 9. Minnesota Statutes 2000, section 124D.03, subdivision 4, is amended to read:

Subd. 4. [DESEGREGATION DISTRICT TRANSFERS.] (a) This subdivision applies to a transfer into or out of a district that has a desegregation plan approved by the commissioner of children, families, and learning.

(b) An application to transfer may be submitted at any time for enrollment beginning at any time.

(c) ~~The parent or guardian of a pupil who is a resident of a district that has a desegregation plan must submit an application to the resident district. If the district accepts the application, it must forward the application to the nonresident district.~~

(d) ~~The parent or guardian of a pupil who applies for enrollment in a nonresident district that has a desegregation plan must submit an application to the nonresident district.~~

(e) ~~Each district must accept or reject an application it receives and notify the parent or guardian in writing within 30 calendar days of receiving the application. A notification of acceptance must include the date enrollment can begin.~~

(f) ~~If an application is rejected, the district must state the reason for rejection in the notification. If a district that has a desegregation plan rejects an application for a reason related to the desegregation plan, the district must state with specificity how acceptance of the application would result in noncompliance with department of children, families, and learning rules with respect to the school or program for which application was made.~~

(g) ~~If an application is accepted, the parent or guardian must notify the nonresident district in writing within 15 calendar days of receiving the acceptance whether the pupil intends to enroll in the nonresident district. Notice of intention to enroll obligates the pupil to enroll in the nonresident~~

district, unless the boards of the resident and nonresident districts agree otherwise. If a parent or guardian does not notify the nonresident district, the pupil may not enroll in that nonresident district at that time, unless the boards of the resident and nonresident district agree otherwise.

~~(h) Within 15 calendar days of receiving the notice from the parent or guardian, the nonresident district shall notify the resident district in writing of the pupil's intention to enroll in the nonresident district.~~

~~(i) A pupil enrolled in a nonresident district under this subdivision a desegregation plan approved by the commissioner of children, families, and learning is not required to make annual or periodic application for enrollment but may remain enrolled in the same district. A pupil may transfer to the resident district at any time.~~

(d) Section 124D.03, subdivision 2, applies to a transfer into or out of a district with a desegregation plan.

~~(j) A pupil enrolled in a nonresident district and applying to transfer into or out of a district that has a desegregation plan must follow the procedures of this subdivision. For the purposes of this type of transfer, "resident district" means the nonresident district in which the pupil is enrolled at the time of application.~~

~~(k) A district that has a desegregation plan approved by the commissioner must accept or reject each individual application in a manner that will enable compliance with its desegregation plan.~~

Sec. 10. Minnesota Statutes 2000, section 124D.10, subdivision 1, is amended to read:

Subdivision 1. [PURPOSES.] (a) The purpose of this section is to:

- (1) improve pupil learning;
- (2) increase learning opportunities for pupils;
- (3) encourage the use of different and innovative teaching methods;
- (4) require the measurement of learning outcomes and create different and innovative forms of measuring outcomes;
- (5) establish new forms of accountability for schools; ~~or~~
- (6) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site;
- (7) test new and more accountable, results-based forms of oversight and accountability for schools;
- (8) focus state oversight on the role of sponsors of charter schools; or
- (9) encourage school boards to make full use of the opportunities provided by this section.

~~(b) This section does not provide a means to keep open a school that otherwise would be closed. Applicants in these circumstances bear the burden of proving that conversion to a charter school fulfills a purpose specified in this subdivision, independent of the school's closing.~~

Sec. 11. Minnesota Statutes 2000, section 124D.10, subdivision 4, is amended to read:

Subd. 4. [FORMATION OF SCHOOL.] (a) A sponsor may authorize one or more licensed teachers under section 122A.18, subdivision 1, to operate a charter school subject to approval by the commissioner. A board must vote on charter school application for sponsorship no later than 90 days after receiving the application. After 90 days, the applicant may apply to the commissioner. If a board elects not to sponsor a charter school, the applicant may appeal the board's decision to the commissioner. ~~If the commissioner authorizes the school, the commissioner must sponsor the school according to this section. The commissioner may elect to~~

sponsor the charter school or assist the applicant in finding an eligible sponsor. The school must be organized and operated as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.

(b) Before the operators may form and operate a school, the sponsor must file an affidavit with the commissioner stating its intent to authorize a charter school. The affidavit must state the terms and conditions under which the sponsor would authorize a charter school. The commissioner must approve or disapprove the sponsor's proposed authorization within 60 days of receipt of the affidavit. Failure to obtain commissioner approval precludes a sponsor from authorizing the charter school that was the subject of the affidavit.

(c) The operators authorized to organize and operate a school must hold an election for members of the school's board of directors in a timely manner after the school is operating. Any staff members who are employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school, including teachers providing instruction under a contract with a cooperative, must be a majority of the members of the board of directors, unless the commissioner waives the requirement for the school. A provisional board may operate before the election of the school's board of directors. Board of director meetings must comply with chapter 13D.

(d) The granting or renewal of a charter by a sponsoring entity must not be conditioned upon the bargaining unit status of the employees of the school.

Sec. 12. Minnesota Statutes 2000, section 124D.10, subdivision 8, is amended to read:

Subd. 8. [STATE AND LOCAL REQUIREMENTS.] (a) A charter school shall meet all applicable state and local health and safety requirements.

~~(b) A school sponsored by a school board may be located in any district, unless the school board of the district of the proposed location disapproves by written resolution. If such a board denies a request to locate within its boundaries a charter school sponsored by another school board, the sponsoring school board may appeal to the commissioner. If the commissioner authorizes the school, the commissioner must sponsor the school.~~

(c) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(d) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled.

(e) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(f) A charter school may not charge tuition.

(g) A charter school is subject to and must comply with chapter 363 and section 121A.04.

(h) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(i) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district. Audits must be conducted in compliance with generally accepted governmental auditing standards, the Federal Single Audit Act, if applicable, and section 6.65. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 123B.52, subdivision 5; 471.38; 471.391; 471.392; 471.425; 471.87; 471.88, subdivisions 1, 2, 3, 4, 5, 6, 12, 13, and 15; 471.881; and 471.89. The audit must comply with the requirements of sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the

commissioner. The department of children, families, and learning, state auditor, or legislative auditor may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

(j) A charter school is a district for the purposes of tort liability under chapter 466.

Sec. 13. Minnesota Statutes 2000, section 124D.59, subdivision 2, is amended to read:

Subd. 2. [PUPIL OF LIMITED ENGLISH PROFICIENCY.] "Pupil of limited English proficiency" means a pupil ~~in any of the grades of kindergarten through 12~~ who meets the following requirements:

(1) the pupil in kindergarten through grade 12, as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English; and

(2) ~~the pupil's score is significantly below the average district score for pupils of the same age on a nationally normed English reading or English language arts achievement test. A pupil's score shall be considered significantly below the average district score for pupils of the same age if it is one-third of a standard deviation below that average score for a pupil in kindergarten through grade 2, the pupil is determined by developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments, to lack the necessary English skills to participate fully in classes taught in English; or~~

(3) the pupil in grades 3 through 12 scores below the state cutoff score on an assessment measuring emerging academic English provided by the commissioner.

[EFFECTIVE DATE.] This section is effective for the 2002-2003 school year and later.

Sec. 14. Minnesota Statutes 2000, section 124D.84, subdivision 1, is amended to read:

Subdivision 1. [AWARDS.] The commissioner, with the advice and counsel of the Minnesota Indian scholarship education committee, may award scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry, who has applied for other existing state and federal scholarship and grant programs, and who, in the opinion of the commissioner, has the capabilities to benefit from further education. Scholarships must be for accredited degree programs in accredited Minnesota colleges or universities or for courses in accredited Minnesota business, technical, or vocational schools. Scholarships may also be given to students attending Minnesota colleges that are in candidacy status for obtaining full accreditation, and are eligible for and receiving federal financial aid programs. Students are also eligible for scholarships when enrolled as students in Minnesota higher education institutions that have joint programs with other accredited higher education institutions. Scholarships shall be used to defray the total cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned where the student receives federal financial aid. The total cost of education includes all tuition and fees for each student enrolling in a public institution and the portion of tuition and fees for each student enrolling in a private institution that does not exceed the tuition and fees at a comparable public institution. Each student shall be awarded a scholarship based on the total cost of the student's education and a federal standardized need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount and type of each scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship education committee.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year the student is eligible for additional scholarships, if additional training is necessary to reach the student's educational and vocational objective. Scholarships may not be given to any Indian student for more than five years of study without special approval recommendation of the Minnesota Indian scholarship education committee.

Sec. 15. Minnesota Statutes 2000, section 124D.892, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) An office of desegregation/integration is established in the department of children, families, and learning to coordinate and support activities related to student enrollment, student and staff recruitment and retention, transportation, and interdistrict cooperation among metropolitan school districts.

(b) At the request of a metropolitan school district involved in cooperative desegregation/integration efforts, the office shall perform any of the following activities:

(1) assist districts with interdistrict student transfers, including student recruitment, counseling, placement, and transportation;

(2) coordinate and disseminate information about schools and programs;

(3) assist districts with new magnet schools and programs;

(4) assist districts in providing staff development and in-service training; and

(5) coordinate and administer staff exchanges.

(c) The office shall collect data on the efficacy of districts' desegregation/integration efforts and make recommendations based on the data. The office shall periodically consult with the metropolitan council to coordinate metropolitan school desegregation/integration efforts with the housing, social, economic, and infrastructure needs of the metropolitan area. The office shall develop a process for resolving students' disputes and grievances about student transfers under a desegregation/integration plan.

Sec. 16. Minnesota Statutes 2000, section 124D.892, subdivision 3, is amended to read:

Subd. 3. [ADVISORY BOARD.] The commissioner shall establish an advisory board composed of:

(1) nine superintendents, eight shall be selected by the superintendents of the school districts located in whole or in part within each of the eight metropolitan districts established under section 473.123, subdivision 3c, and one superintendent of a district outside the seven-county metropolitan area and is from a district that is considered racially isolated or has a racially isolated school site according to Minnesota Rules, part 3535.0110;

(2) one person each selected by the Indian affairs council, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, and the council on affairs of Chicano/Latino people; and

(3) the superintendent of independent school district No. 709, Duluth.

The advisory board shall advise the office on complying with the requirements under subdivision 1. The advisory board may solicit comments from teachers, parents, students, and interested community organizations and others.

The advisory board shall expire June 30, 2003.

Sec. 17. Minnesota Statutes 2000, section 124D.894, is amended to read:

124D.894 [STATE MULTICULTURAL EDUCATION ADVISORY COMMITTEE.]

(a) The commissioner shall appoint a state multicultural education advisory committee to advise the department and the state board on multicultural education. The committee must have 12 members and be composed of representatives from among the following groups and community organizations: African-American, Asian-Pacific, Hispanic, and American Indian. The committee shall expire June 30, 2003.

(b) The state committee shall provide information and recommendations on:

(1) department procedures for reviewing and approving district plans and disseminating information on multicultural education;

(2) department procedures for improving inclusive education plans, curriculum and instruction improvement plans, and performance-based assessments;

(3) developing learner outcomes which are multicultural; and

(4) other recommendations that will further inclusive, multicultural education.

(c) The committee shall also participate in determining the criteria for and awarding the grants established under Laws 1993, chapter 224, article 8, section 22, subdivision 8.

Sec. 18. Minnesota Statutes 2000, section 129C.10, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the Perpich center for arts education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the center for arts education.

(c) The board may receive and award grants. The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance. The board must adopt internal procedures to administer and monitor aids and grants.

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs for teachers and pupils.

(e) The board may identify pupils who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board must educate pupils with artistic talent by providing:

(1) an interdisciplinary academic and arts program for pupils in the 11th and 12th grades. The total number of pupils accepted under this clause and clause (2) shall not exceed ~~300~~ 310;

(2) additional instruction to pupils for a 13th grade. Pupils eligible for this instruction are those enrolled in 12th grade who need extra instruction and who apply to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes established by the board;

(3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

(4) summer arts institutes for pupils in grades 9 to 12;

(5) artist mentor and extension programs in regional sites; and

(6) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Perpich center for arts education and any additional facilities related to the center, including the authority to lease a temporary facility.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of children, families, and learning for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board

may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or service cooperatives to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the center for arts education, including a store, operating in connection with the center; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the center.

(m) The board may provide for transportation of pupils to and from the center for arts education for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the commissioner of children, families, and learning. The board may contract for furnishing authorized transportation under rules established by the commissioner of children, families, and learning and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the center for arts education. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils. If the board provides room and board, it shall charge a reasonable fee for the room and board. The fee is not subject to chapter 14 and is not a prohibited fee according to sections 123B.34 to 123B.39.

(o) The board may establish and set fees for services and programs. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 123B.38.

(p) The board may apply for all competitive grants administered by agencies of the state and other government or nongovernment sources.

[EFFECTIVE DATE.] This section is effective for the 2001-2002 school year and later.

Sec. 19. Minnesota Statutes 2000, section 179A.20, subdivision 3, is amended to read:

Subd. 3. [DURATION.] The duration of the contract is negotiable but shall not exceed three years. Any contract between a school board and an exclusive representative of teachers shall be for a term of two years, beginning on July 1 of each odd-numbered year and may be for a term up to four years by mutual agreement. A contract between a school board and an exclusive representative of teachers shall contain the teachers' compensation including fringe benefits for the entire ~~two-year~~ contract term and shall not contain a wage reopening clause or any other provision for the renegotiation of the teachers' compensation unless the contract period has a term of three years or longer and there is mutual agreement to reopen the contract.

Sec. 20. [RULES FOR LICENSURE OF SCHOOL ADMINISTRATIVE PERSONNEL.]

The commissioner of children, families, and learning may adopt, amend, or repeal rules relating to the licensure of school administrative personnel in Minnesota Rules, chapter 3512.

Sec. 21. [REPEALER.]

Minnesota Rules, part 3501.0280, subpart 3, is repealed.

ARTICLE 5 SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2000, section 13.319, is amended by adding a subdivision to read:

Subd. 7. [CHILD CARE ASSISTANCE PROGRAM.] Data collected for purposes of

administering the child care assistance program are classified under section 119B.02, subdivision 6.

Sec. 2. Minnesota Statutes 2000, section 13.32, subdivision 3, is amended to read:

Subd. 3. [PRIVATE DATA; WHEN DISCLOSURE IS PERMITTED.] Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

- (a) Pursuant to section 13.05;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36;
- (e) Pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, and 99.35;
- (f) To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;
- (g) When disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, chapter 1092;
- (h) To the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a post-secondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;
- (i) To appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in the student's file;
- (j) To volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;
- (k) To provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216; or
- (l) To the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals.
- (m) With respect to social security numbers of students in the adult basic education system, to Minnesota state colleges and universities and the department of economic security for the purpose and in the manner described in section 124D.52, subdivision 7.
- (n) To the commissioner of children, families, and learning for purposes of an assessment or investigation of a report of alleged maltreatment of a student as mandated by section 626.556.

Upon request by the commissioner of children, families, and learning, data from charter school and school district investigations of alleged maltreatment of a student must be disclosed to the commissioner, including, but not limited to, the following:

- (1) information regarding the student alleged to have been maltreated;
- (2) information regarding student and employee witnesses;
- (3) information regarding the alleged perpetrator; and
- (4) what corrective or protective action was taken, if any, by the school facility in response to a report of maltreatment by an employee or agent of the school or school district.

Sec. 3. Minnesota Statutes 2000, section 13.43, is amended by adding a subdivision to read:

Subd. 14. [MALTREATMENT DATA.] When a report of alleged maltreatment of a student in a school facility, as defined in section 626.556, subdivision 2, paragraph (f), is made to the commissioner of children, families, and learning under section 626.556, data collected by the school facility about the person alleged to have committed maltreatment must be provided to the commissioner of children, families, and learning upon request for purposes of an assessment or investigation of the maltreatment report. Data received by the commissioner of children, families, and learning pursuant to these assessments or investigations are classified under section 626.556.

Sec. 4. Minnesota Statutes 2000, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names, social security numbers, income, addresses, and other data as required, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, early refund of refundable tax credits, and the income tax. "Refundable tax credits" means the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and, if the required federal waiver or waivers are granted, the federal earned income tax credit under section 32 of the Internal Revenue Code;
- (9) between the department of human services, the department of children, families, and learning, and the department of economic security for the purpose of monitoring the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the Minnesota family investment program by exchanging data on recipients and former recipients of food stamps, cash assistance under chapter

256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education services office to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, social security number, and, if available, photograph of any member of a household receiving food stamps shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food stamps may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518.575;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the department of children, families, and learning for the purpose of matching department of children, families, and learning student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the departments of human services and children, families, and learning, on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L; or

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the department of human services, department of revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), department of health, department of economic security, and other state agencies as is reasonably necessary to perform these functions; or

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of children, families, and learning.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 5. Minnesota Statutes 2000, section 119B.02, is amended by adding a subdivision to read:

Subd. 6. [DATA.] Data on individuals collected by the commissioner for purposes of administering this chapter are private data on individuals as defined in section 13.02.

Sec. 6. Minnesota Statutes 2000, section 120A.22, subdivision 7, is amended to read:

Subd. 7. [EDUCATION RECORDS.] (a) A district from which a student is transferring must transmit the student's educational records, within ten business days of a request, to the district in which the student is enrolling. Districts must make reasonable efforts to determine the district in which a transferring student is next enrolling in order to comply with this subdivision.

(b) A school district that transmits a student's educational records to another school district or other educational entity to which the student is transferring must include in the transmitted records information about disciplinary action taken as a result of any incident in which the student possessed or used a dangerous weapon.

(c) School districts must establish and implement procedures for the accurate and timely transfer of educational records, including individual education plans and special education evaluation reports, to education facilities including facilities that admit children and provide an education program specifically designed for children who are residents of the facility including chemical dependency and other substance abuse programs, shelter care facilities, hospitals, correctional facilities, mental health programs, and detention facilities within the ten-day limit imposed by statute. These procedures must be in place and operational year-round.

Sec. 7. Minnesota Statutes 2000, section 122A.31, subdivision 2, is amended to read:

Subd. 2. [ORAL OR CUED SPEECH TRANSLITERATORS.] (a) In addition to any other requirements that a school district establishes, any person employed to provide oral transliterating or cued speech transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must hold a current applicable transliterator certificate awarded by the national certifying association or comparable state certification from the commissioner of children, families, and learning.

(b) To provide oral or cued speech transliterator services on a full-time or part-time basis, a person employed in a school district must comply with paragraph (a). The commissioner shall grant a nonrenewable, two-year certificate to a school district on behalf of a person who has not yet attained a current applicable transliterator certificate pursuant to paragraph (a). A person for whom a nonrenewable, two-year certificate is issued must work under the direction of a licensed teacher who is skilled in language development of individuals who are deaf or hard-of-hearing. A person for whom a nonrenewable, two-year certificate is issued must also enroll in state-approved training and demonstrate progress towards the certification required under paragraph (a) sufficient for the person to be certified at the end of the two-year period.

Sec. 8. Minnesota Statutes 2000, section 125A.023, subdivision 4, is amended to read:

Subd. 4. [STATE INTERAGENCY COMMITTEE.] (a) The governor shall convene an ~~18-member~~ a 19-member interagency committee to develop and implement a coordinated, multidisciplinary, interagency intervention service system for children ages three to 21 with disabilities. The commissioners of commerce, children, families, and learning, health, human rights, human services, economic security, and corrections shall each appoint two committee members from their departments; the association of Minnesota counties shall appoint two county representatives, one of whom must be an elected official, as committee members; and the Minnesota school boards association, the Minnesota administrators of special education, and the school nurse association of Minnesota shall each appoint one committee member. The committee shall select a chair from among its members.

(b) The committee shall:

(1) identify and assist in removing state and federal barriers to local coordination of services provided to children with disabilities;

(2) identify adequate, equitable, and flexible funding sources to streamline these services;

(3) develop guidelines for implementing policies that ensure a comprehensive and coordinated system of all state and local agency services, including multidisciplinary assessment practices for children with disabilities ages three to 21;

(4) develop, consistent with federal law, a standardized written plan for providing services to a child with disabilities;

(5) identify how current systems for dispute resolution can be coordinated and develop guidelines for that coordination;

(6) develop an evaluation process to measure the success of state and local interagency efforts in improving the quality and coordination of services to children with disabilities ages three to 21;

(7) develop guidelines to assist the governing boards of the interagency early intervention committees in carrying out the duties assigned in section 125A.027, subdivision 1, paragraph (b); and

(8) carry out other duties necessary to develop and implement within communities a coordinated, multidisciplinary, interagency intervention service system for children with disabilities.

(c) The committee shall consult on an ongoing basis with the state education advisory committee for special education and the governor's interagency coordinating council in carrying out its duties under this section, including assisting the governing boards of the interagency early intervention committees.

Sec. 9. Minnesota Statutes 2000, section 125A.027, is amended by adding a subdivision to read:

Subd. 4. [RESPONSIBILITIES OF SCHOOL AND COUNTY BOARDS.] (a) It is the joint responsibility of school and county boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate service for children eligible under section 125A.02 and receiving service from two or more public agencies of which one is the public school must be determined in consultation with parents, physicians, and other education, medical health, and human services providers. The services provided must be in conformity with an Individual Interagency Intervention Plan (IIIP) for each eligible child ages 3 to 21.

(b) Appropriate services include those services listed on a child's IIIP. These services are those that are required to be documented on a plan under federal and state law or rule.

(c) School and county boards shall coordinate interagency services. Service responsibilities for eligible children, ages 3 to 21, shall be established in interagency agreements or joint powers

board agreements. In addition, interagency agreements or joint powers board agreements shall be developed to establish agency responsibility that assures that coordinated interagency services are coordinated, provided, and paid for, and that payment is facilitated from public and private sources. School boards must provide, pay for, and facilitate payment for special education services as required under sections 125A.05 and 125A.06. County boards must provide, pay for, and facilitate payment for those programs over which they have service and fiscal responsibility as referenced in section 125A.023, subdivision 3, paragraph (d), clause (1).

Sec. 10. Minnesota Statutes 2000, section 125A.09, subdivision 11, is amended to read:

Subd. 11. [HEARING REVIEW OFFICER'S QUALIFICATIONS.] The commissioner must select an individual who has the qualifications enumerated in this subdivision to serve as the hearing review officer:

- (1) the individual must be knowledgeable and impartial;
- (2) the individual must not have a personal interest in or specific involvement with the student who is a party to the hearing;
- (3) the individual must not have been employed as an administrator by the district that is a party to the hearing;
- (4) the individual must not have been involved in the selection of the administrators of the district that is a party to the hearing;
- (5) the individual must not have a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;
- ~~(6) the individual must not have substantial involvement in the development of a state or local policy or procedures that are challenged in the appeal;~~
- ~~(7) the individual is not a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency or the department; and~~
- ~~(8) (7) the individual is not a current employee or board member of a disability advocacy organization or group.~~

Sec. 11. Minnesota Statutes 2000, section 125A.11, subdivision 3, is amended to read:

Subd. 3. [AGREEMENT BETWEEN DISTRICTS TO PROVIDE SPECIAL INSTRUCTION AND SERVICES.] For the purposes of this section, any school district may enter into an agreement, upon mutually agreed upon terms and conditions, to provide special instruction and services for children with a disability. In that event, one of the participating units may employ and contract with necessary qualified personnel to offer services in the several districts. Each participating unit must reimburse the employing unit a proportionate amount of the actual cost of providing the special instruction and services, less the amount of state special education aid, ~~which shall be claimed in full by the employing district.~~

Sec. 12. Minnesota Statutes 2000, section 125A.27, subdivision 15, is amended to read:

Subd. 15. [PART H C STATE PLAN.] "Part H C state plan" means the annual state plan application approved by the federal government under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H C, Public Law Number 102-119 105-117).

Sec. 13. Minnesota Statutes 2000, section 125A.515, is amended to read:

125A.515 [PLACEMENT OF CHILDREN WITHOUT DISABILITIES; APPROVAL OF EDUCATION PROGRAM.]

The commissioner shall approve education programs in care and treatment facilities for

placement of children without disabilities, ~~including detention centers,~~ before being licensed by the department of human services or the department of corrections. For the purposes of this section, care and treatment facilities includes adult facilities that admit children and provide an education program specifically designed for children who are residents of the facility including chemical dependency and other substance abuse programs, shelter care facilities, hospitals, correctional facilities, mental health programs, and detention facilities.

Sec. 14. Minnesota Statutes 2000, section 125A.76, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the definitions in this subdivision apply.

(a) "Base year" for fiscal year 1998 and later fiscal years means the second fiscal year preceding the fiscal year for which aid will be paid.

(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 direct 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 individual education plans.

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

(e) "Program growth factor" means 1.08 for fiscal year 2002, and 1.046 for fiscal year 2003 and later.

Sec. 15. Minnesota Statutes 2000, section 125A.76, subdivision 2, is amended to read:

Subd. 2. [SPECIAL EDUCATION BASE REVENUE.] (a) The special education base revenue equals the sum of the following amounts computed using base 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, ~~not including the share of salaries for personnel providing health-related services counted in clause (8),~~ 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 instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan;

(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 basic revenue of the district for that pupil amount of the basic revenue, as defined in section 126C.10, subdivision 2, special education aid, and any other aid earned on behalf of the child for the fraction of the school day the pupil receives services under the contract;

(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, ~~not including the portion of the expenses for supplies and equipment used to provide health-related services counted in clause (8),~~ 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; and

(7) for fiscal years 1999 and later, the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4).

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.

(b) If requested by a school district operating a special education program during the base year for less than the full fiscal year, or a school district in which is located a Minnesota correctional facility operating on a fee-for-service basis for less than the full fiscal year, the commissioner may adjust the base revenue to reflect the expenditures that would have occurred during the base year had the program been operated for the full fiscal year.

(c) Notwithstanding paragraphs (a) and (b), the portion of a school district's base revenue attributable to a Minnesota correctional facility operating on a fee-for-service basis during the facility's first year of operating on a fee-for-service basis shall be computed using current year data.

Sec. 16. Minnesota Statutes 2000, section 256.045, subdivision 3b, is amended to read:

Subd. 3b. [STANDARD OF EVIDENCE FOR MALTREATMENT HEARINGS.] The state human services referee shall determine that maltreatment has occurred if a preponderance of evidence exists to support the final disposition under sections 626.556 and 626.557.

The state human services referee shall recommend an order to the commissioner of health, children, families, and learning, or human services, as applicable, who shall issue a final order. The commissioner shall affirm, reverse, or modify the final disposition. Any order of the commissioner issued in accordance with this subdivision is conclusive upon the parties unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal under chapter 245A and sections 144.50 to 144.58 and 144A.02 to 144A.46, the commissioner's determination as to maltreatment is conclusive.

Sec. 17. Minnesota Statutes 2000, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, other school employees or agents, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance;

(7) "medical neglect" as defined in section 260C.007, subdivision 4, clause (5);

(8) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or

(9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(d) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825. Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Abuse does not include reasonable force used by a teacher, principal, or school employee as allowed by section 121A.582. Actions which are not reasonable and moderate include, but are not limited to, any of the following that are done in anger or without regard to the safety of the child:

(1) throwing, kicking, burning, biting, or cutting a child;

(2) striking a child with a closed fist;

(3) shaking a child under age three;

(4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;

(5) unreasonable interference with a child's breathing;

(6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

(7) striking a child under age one on the face or head;

(8) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances; ~~or~~

(9) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining; or

(10) in a school facility or school zone, an act by a person responsible for the child's care that is a violation under section 121A.58.

(e) "Report" means any report received by the local welfare agency, police department, ~~or~~ county sheriff, or agency responsible for assessing or investigating maltreatment pursuant to this section.

(f) "Facility" means a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245B; or a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(g) "Operator" means an operator or agency as defined in section 245A.02.

(h) "Commissioner" means the commissioner of human services.

(i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

(j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(k) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(l) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury.

(m) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates and accepted teacher discipline practices, which are not injurious to the child's health, welfare, and safety.

Sec. 18. Minnesota Statutes 2000, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT.] (a) A person who knows or has reason to believe a child is being neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, or law enforcement; or

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c).

The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency, or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency, agency responsible for assessing or investigating reports, and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency.

(b) Any person may voluntarily report to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter 245B, ~~or a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16; and 256B.0625, subdivision 19.~~ A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b. A board or other entity whose licensees perform work within a school facility, upon receiving a complaint that indicates maltreatment, shall provide information about the circumstances of the alleged maltreatment to the commissioner of children, families, and learning. Section 13.03, subdivision 4, applies to data received by the commissioner of children, families, and learning from a licensing entity.

(d) Any person mandated to report shall receive a summary of the disposition of any report made by that reporter, including whether the case has been opened for child protection or other services, or if a referral has been made to a community organization, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours.

Sec. 19. Minnesota Statutes 2000, section 626.556, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] (a) The following persons are immune from any civil or criminal liability that otherwise might result from their actions, if they are acting in good faith:

(1) any person making a voluntary or mandated report under subdivision 3 or under section 626.5561 or assisting in an assessment under this section or under section 626.5561;

(2) any person with responsibility for performing duties under this section or supervisor employed by a local welfare agency, the commissioner of an agency responsible for operating or supervising a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or 245B, or a school as defined in sections 120A.05, subdivisions

9, 11, and 13; and 124D.10; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16; and 256B.0625, subdivision 19a, complying with subdivision 10d; and

(3) any public or private school, facility as defined in subdivision 2, or the employee of any public or private school or facility who permits access by a local welfare agency, the department of children, families, and learning, or a local law enforcement agency and assists in an investigation or assessment pursuant to subdivision 10 or under section 626.5561.

(b) A person who is a supervisor or person with responsibility for performing duties under this section employed by a local welfare agency, the commissioner of human services, or the commissioner of children, families, and learning complying with subdivisions 10 and 11 or section 626.5561 or any related rule or provision of law is immune from any civil or criminal liability that might otherwise result from the person's actions, if the person is (1) acting in good faith and exercising due care, or (2) acting in good faith and following the information collection procedures established under subdivision 10, paragraphs (h), (i), and (j).

(c) This subdivision does not provide immunity to any person for failure to make a required report or for committing neglect, physical abuse, or sexual abuse of a child.

(d) If a person who makes a voluntary or mandatory report under subdivision 3 prevails in a civil action from which the person has been granted immunity under this subdivision, the court may award the person attorney fees and costs.

Sec. 20. Minnesota Statutes 2000, section 626.556, subdivision 7, is amended to read:

Subd. 7. [REPORT.] An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under subdivision 3 to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency, unless the appropriate agency has informed the reporter that the oral information does not constitute a report under subdivision 10. Any report shall be of sufficient content to identify the child, any person believed to be responsible for the abuse or neglect of the child if the person is known, the nature and extent of the abuse or neglect and the name and address of the reporter. If requested, the local welfare agency or the agency responsible for assessing or investigating the report shall inform the reporter within ten days after the report is made, either orally or in writing, whether the report was accepted for assessment or investigation. Written reports received by a police department or the county sheriff shall be forwarded immediately to the local welfare agency or the agency responsible for assessing or investigating the report. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department or the agency responsible for assessing or investigating the report shall be forwarded immediately to the local police department or the county sheriff.

A written copy of a report maintained by personnel of agencies, other than welfare or law enforcement agencies, which are subject to chapter 13 shall be confidential. An individual subject of the report may obtain access to the original report as provided by subdivision 11.

Sec. 21. Minnesota Statutes 2000, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT.] (a) If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment including gathering information on the existence of substance abuse and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. If the report alleges a violation of a criminal statute involving sexual abuse, physical abuse, or neglect or endangerment, under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation

and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation. In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

If the assessment indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency shall conduct a chemical use assessment pursuant to Minnesota Rules, part 9530.6615. The local welfare agency shall report the determination of the chemical use assessment, and the recommendations and referrals for alcohol and other drug treatment services to the state authority on alcohol and drug abuse.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse, sexual abuse, or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97. The commissioner of children, families, and learning shall inform the ombudsman established under sections 245.91 to 245.97 of reports regarding a child defined as a client in section 245.91 that maltreatment occurred at a school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10.

(c) Authority of the local welfare agency responsible for assessing the child abuse or neglect report, the agency responsible for assessing or investigating the report, and of the local law enforcement agency for investigating the alleged abuse or neglect includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged offender. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found or the child may be transported to, and the interview conducted at, a place appropriate for the interview of a child designated by the local welfare agency or law enforcement agency. The interview may take place outside the presence of the alleged offender or parent, legal custodian, guardian, or school official. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota rules of procedure for juvenile courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare ~~or~~, local law enforcement agency, or the agency responsible for assessing or investigating a report of maltreatment determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the local social services agency or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded, unless a school employee or agent is alleged to have maltreated the child. Until that time, the local welfare or law enforcement agency or the agency responsible for assessing or

investigating a report of maltreatment shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged offender is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(e) Where the alleged offender or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the alleged offender or any person responsible for the child's care at reasonable places and times as specified by court order.

(f) Before making an order under paragraph (e), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner of human services, the ombudsman for mental health and mental retardation, the local welfare agencies responsible for investigating reports, the commissioner of children, families, and learning, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

(h) The local welfare agency or the agency responsible for assessing or investigating the report shall collect available and relevant information to ascertain whether maltreatment occurred and whether protective services are needed. Information collected includes, when relevant, information with regard to the person reporting the alleged maltreatment, including the nature of the reporter's relationship to the child and to the alleged offender, and the basis of the reporter's knowledge for the report; the child allegedly being maltreated; the alleged offender; the child's caretaker; and other collateral sources having relevant information related to the alleged maltreatment. The local welfare agency or the agency responsible for assessing or investigating the report may make a determination of no maltreatment early in an assessment, and close the case and retain immunity, if the collected information shows no basis for a full assessment or investigation.

Information relevant to the assessment or investigation must be asked for, and may include:

(1) the child's sex and age, prior reports of maltreatment, information relating to developmental functioning, credibility of the child's statement, and whether the information provided under this clause is consistent with other information collected during the course of the assessment or investigation;

(2) the alleged offender's age, a record check for prior reports of maltreatment, and criminal charges and convictions. The local welfare agency or the agency responsible for assessing or

investigating the report must provide the alleged offender with an opportunity to make a statement. The alleged offender may submit supporting documentation relevant to the assessment or investigation;

(3) collateral source information regarding the alleged maltreatment and care of the child. Collateral information includes, when relevant: (i) a medical examination of the child; (ii) prior medical records relating to the alleged maltreatment or the care of the child and an interview with the treating professionals; and (iii) interviews with the child's caretakers, including the child's parent, guardian, foster parent, child care provider, teachers, counselors, family members, relatives, and other persons who may have knowledge regarding the alleged maltreatment and the care of the child; and

(4) information on the existence of domestic abuse and violence in the home of the child, and substance abuse.

Nothing in this paragraph precludes the local welfare agency, the local law enforcement agency, or the agency responsible for assessing or investigating the report from collecting other relevant information necessary to conduct the assessment or investigation. Notwithstanding the data's classification in the possession of any other agency, data acquired by the local welfare agency or the agency responsible for assessing or investigating the report during the course of the assessment or investigation are private data on individuals and must be maintained in accordance with subdivision 11. Data of the commissioner of children, families, and learning collected or maintained during and for the purpose of an investigation of alleged maltreatment in a school are governed by this section, notwithstanding the data's classification as educational, licensing, or personnel data under chapter 13.

In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (f), the commissioner of children, families, and learning shall collect investigative reports and data from local law enforcement and the school facility.

(i) In the initial stages of an assessment or investigation, the local welfare agency shall conduct a face-to-face observation of the child reported to be maltreated and a face-to-face interview of the alleged offender. The interview with the alleged offender may be postponed if it would jeopardize an active law enforcement investigation.

(j) The local welfare agency shall use a question and answer interviewing format with questioning as nondirective as possible to elicit spontaneous responses. The following interviewing methods and procedures must be used whenever possible when collecting information:

(1) audio recordings of all interviews with witnesses and collateral sources; and

(2) in cases of alleged sexual abuse, audio-video recordings of each interview with the alleged victim and child witnesses.

(k) In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (f), the commissioner of children, families, and learning shall collect available and relevant information and use the procedures in paragraphs (h), (i), and (j), provided that the commissioner may also base the assessment or investigation on investigative reports and data received from the school facility and local law enforcement, to the extent those investigations satisfy the requirements of paragraphs (h), (i), and (j).

Sec. 22. Minnesota Statutes 2000, section 626.556, subdivision 10b, is amended to read:

Subd. 10b. [DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN FACILITY.] (a) This section applies to the commissioners of human services, health, and children, families, and learning. The commissioner of the agency responsible for assessing or investigating the report shall immediately assess or investigate if the report alleges that:

(1) a child who is in the care of a facility as defined in subdivision 2 is neglected, physically abused, or sexually abused by an individual in that facility, or has been so neglected or abused by an individual in that facility within the three years preceding the report; or

(2) a child was neglected, physically abused, or sexually abused by an individual in a facility defined in subdivision 2, while in the care of that facility within the three years preceding the report.

The commissioner of the agency responsible for assessing or investigating the report shall arrange for the transmittal to the commissioner of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the powers and duties specified for local welfare agencies under this section. The commissioner of the agency responsible for assessing or investigating the report or local welfare agency may interview any children who are or have been in the care of a facility under investigation and their parents, guardians, or legal custodians.

(b) Prior to any interview, the commissioner of the agency responsible for assessing or investigating the report or local welfare agency shall notify the parent, guardian, or legal custodian of a child who will be interviewed in the manner provided for in subdivision 10d, paragraph (a). If reasonable efforts to reach the parent, guardian, or legal custodian of a child in an out-of-home placement have failed, the child may be interviewed if there is reason to believe the interview is necessary to protect the child or other children in the facility. The commissioner of the agency responsible for assessing or investigating the report or local agency must provide the information required in this subdivision to the parent, guardian, or legal custodian of a child interviewed without parental notification as soon as possible after the interview. When the investigation is completed, any parent, guardian, or legal custodian notified under this subdivision shall receive the written memorandum provided for in subdivision 10d, paragraph (c).

(c) In conducting investigations under this subdivision the commissioner or local welfare agency shall obtain access to information consistent with subdivision 10, paragraphs (h), (i), and (j). In conducting assessments or investigations under this subdivision, the commissioner of children, families, and learning shall obtain access to reports and investigative data in the possession of a school facility as defined in subdivision 2, paragraph (f), notwithstanding the classification of the data as educational or personnel data under chapter 13. This includes, but is not limited to, school investigative reports, information concerning the conduct of school personnel alleged to have committed maltreatment of students, information about witnesses, and any protective or corrective action taken by the school facility regarding the school personnel alleged to have committed maltreatment.

~~(d) Except for foster care and family child care, the commissioner has the primary responsibility for the investigations and notifications required under subdivisions 10d and 10f for reports that allege maltreatment related to the care provided by or in facilities licensed by the commissioner. The commissioner may request assistance from the local social services agency.~~

Sec. 23. Minnesota Statutes 2000, section 626.556, subdivision 10d, is amended to read:

Subd. 10d. [NOTIFICATION OF NEGLECT OR ABUSE IN FACILITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse of a child while in the care of a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed according to sections 144.50 to 144.58; 241.021; or 245A.01 to 245A.16; or chapter 245B, or a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or a nonlicensed personal care provider organization as defined in section 256B.04, subdivision 16, and 256B.0625, subdivision 19a, the commissioner of the agency responsible for assessing or investigating the report or local welfare agency investigating the report shall provide the following information to the parent, guardian, or legal custodian of a child alleged to have been neglected, physically abused, or sexually abused: the name of the facility; the fact that a report alleging neglect, physical abuse, or sexual abuse of a child in the facility has been received; the nature of the alleged neglect, physical abuse, or sexual abuse; that the agency is conducting an assessment or investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.

(b) The commissioner of the agency responsible for assessing or investigating the report or local welfare agency may also provide the information in paragraph (a) to the parent, guardian, or

legal custodian of any other child in the facility if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse has occurred. In determining whether to exercise this authority, the commissioner of the agency responsible for assessing or investigating the report or local welfare agency shall consider the seriousness of the alleged neglect, physical abuse, or sexual abuse; the number of children allegedly neglected, physically abused, or sexually abused; the number of alleged perpetrators; and the length of the investigation. The facility shall be notified whenever this discretion is exercised.

(c) When the commissioner of the agency responsible for assessing or investigating the report or local welfare agency has completed its investigation, every parent, guardian, or legal custodian previously notified of the investigation by the commissioner or local welfare agency shall be provided with the following information in a written memorandum: the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse; the investigator's name; a summary of the investigation findings; a statement whether maltreatment was found; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the child and shall not contain the name, or to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation. The commissioner or local welfare agency shall also provide the written memorandum to the parent, guardian, or legal custodian of each child in the facility if maltreatment is determined to exist. In the case of maltreatment within a school facility, as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10, the commissioner of children, families, and learning need not provide notification to parents, guardians, or legal custodians of each child in the facility, but may provide notification as is in the best interests of the safety and welfare of other students in the school facility.

Sec. 24. Minnesota Statutes 2000, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. [DETERMINATIONS.] Upon the conclusion of every assessment or investigation it conducts, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed. Upon the conclusion of an assessment or investigation by the commissioner of children, families, and learning, the commissioner shall determine whether maltreatment occurred and what corrective or protective action was taken by the school facility. The commissioner shall report to the employer, the school board, and any appropriate licensing entity the determination regarding whether maltreatment occurred and what corrective or protective action was taken by the school facility. When maltreatment is determined in an investigation involving a facility, the investigating agency shall also determine whether the facility or individual was responsible, or whether both the facility and the individual were responsible for the maltreatment using the mitigating factors in paragraph (d). Determinations under this subdivision must be made based on a preponderance of the evidence and are private data on individuals or nonpublic data as maintained by the commissioner of children, families, and learning.

(a) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions committed by a person responsible for the child's care:

- (1) physical abuse as defined in subdivision 2, paragraph (d);
- (2) neglect as defined in subdivision 2, paragraph (c);
- (3) sexual abuse as defined in subdivision 2, paragraph (a); or
- (4) mental injury as defined in subdivision 2, paragraph (k).

(b) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(c) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child.

(d) When determining whether the facility or individual is the responsible party for determined maltreatment in a facility, the investigating agency shall consider at least the following mitigating factors:

(1) whether the actions of the facility or the individual caregivers were according to, and followed the terms of, an erroneous physician order, prescription, individual care plan, or directive; however, this is not a mitigating factor when the facility or caregiver was responsible for the issuance of the erroneous order, prescription, individual care plan, or directive or knew or should have known of the errors and took no reasonable measures to correct the defect before administering care;

(2) comparative responsibility between the facility, other caregivers, and requirements placed upon an employee, including the facility's compliance with related regulatory standards and the adequacy of facility policies and procedures, facility training, an individual's participation in the training, the caregiver's supervision, and facility staffing levels and the scope of the individual employee's authority and discretion; and

(3) whether the facility or individual followed professional standards in exercising professional judgment.

Individual counties may implement more detailed definitions or criteria that indicate which allegations to investigate, as long as a county's policies are consistent with the definitions in the statutes and rules and are approved by the county board. Each local welfare agency shall periodically inform mandated reporters under subdivision 3 who work in the county of the definitions of maltreatment in the statutes and rules and any additional definitions or criteria that have been approved by the county board.

Sec. 25. Minnesota Statutes 2000, section 626.556, subdivision 10i, is amended to read:

Subd. 10i. [ADMINISTRATIVE RECONSIDERATION OF FINAL DETERMINATION OF MALTREATMENT.] (a) An individual or facility that the commissioner ~~or of human services,~~ a local social service agency, or the commissioner of children, families, and learning determines has maltreated a child, or the child's designee, regardless of the determination, who contests the investigating agency's final determination regarding maltreatment, may request the investigating agency to reconsider its final determination regarding maltreatment. The request for reconsideration must be submitted in writing to the investigating agency within 15 calendar days after receipt of notice of the final determination regarding maltreatment.

(b) If the investigating agency denies the request or fails to act upon the request within 15 calendar days after receiving the request for reconsideration, the person or facility entitled to a fair hearing under section 256.045 may submit to the commissioner of human services or the commissioner of children, families, and learning a written request for a hearing under that section. Section 256.045 also governs hearings requested to contest a final determination of the commissioner of children, families, and learning.

(c) If, as a result of the reconsideration, the investigating agency changes the final determination of maltreatment, that agency shall notify the parties specified in subdivisions 10b, 10d, and 10f.

(d) If an individual or facility contests the investigating agency's final determination regarding maltreatment by requesting a fair hearing under section 256.045, the commissioner of human services shall assure that the hearing is conducted and a decision is reached within 90 days of receipt of the request for a hearing. The time for action on the decision may be extended for as many days as the hearing is postponed or the record is held open for the benefit of either party.

Sec. 26. Minnesota Statutes 2000, section 626.556, subdivision 10j, is amended to read:

Subd. 10j. [RELEASE OF DATA TO MANDATED REPORTERS.] A local social services or child protection agency, or the agency responsible for assessing or investigating the report of maltreatment, may provide relevant private data on individuals obtained under this section to mandated reporters who have an ongoing responsibility for the health, education, or welfare of a child affected by the data, in the best interests of the child. Mandated reporters with ongoing responsibility for the health, education, or welfare of a child affected by the data include the child's teachers or other appropriate school personnel, foster parents, health care providers, respite care workers, therapists, social workers, child care providers, residential care staff, crisis nursery staff, probation officers, and court services personnel. Under this section, a mandated reporter need not have made the report to be considered a person with ongoing responsibility for the health, education, or welfare of a child affected by the data. Data provided under this section must be limited to data pertinent to the individual's responsibility for caring for the child.

Sec. 27. Minnesota Statutes 2000, section 626.556, subdivision 11, is amended to read:

Subd. 11. [RECORDS.] (a) Except as provided in paragraph (b) and subdivisions 10b, 10d, 10g, and 11b, all records concerning individuals maintained by a local welfare agency or agency responsible for assessing or investigating the report under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff. Reports maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made available to the investigating, petitioning, or prosecuting authority, including county medical examiners or county coroners. Section 13.82, subdivisions 7, 5a, and 5b, apply to law enforcement data other than the reports. The local social services agency or agency responsible for assessing or investigating the report shall make available to the investigating, petitioning, or prosecuting authority, including county medical examiners or county coroners or their professional delegates, any records which contain information relating to a specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. In conducting investigations and assessments pursuant to this section, the notice required by section 13.04, subdivision 2, need not be provided to a minor under the age of ten who is the alleged victim of abuse or neglect. An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation except as otherwise permitted by this subdivision. Any person conducting an investigation or assessment under this section who intentionally discloses the identity of a reporter prior to the completion of the investigation or assessment is guilty of a misdemeanor. After the assessment or investigation is completed, the name of the reporter shall be confidential. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

(b) Upon request of the legislative auditor, data on individuals maintained under this section must be released to the legislative auditor in order for the auditor to fulfill the auditor's duties under section 3.971. The auditor shall maintain the data in accordance with chapter 13.

(c) The commissioner of children, families, and learning must be provided with all requested data in possession of a school facility as defined in subdivision 2, paragraph (f), when the data is requested pursuant to an assessment or investigation of a maltreatment report of a student in a school. If the commissioner of children, families, and learning makes a determination of maltreatment involving an individual performing work within a school facility who is licensed by a board or other agency, the commissioner shall provide necessary and relevant information to the licensing entity to enable the entity to fulfill its statutory duties. Notwithstanding section 13.03, subdivision 4, data received by a licensing entity under this paragraph are governed by section 13.41 or other applicable law governing data of the receiving entity, except that this section applies to the classification of and access to data on the reporter of the maltreatment.

ARTICLE 6
FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2000, section 16B.616, subdivision 4, is amended to read:

Subd. 4. [ENFORCEMENT.] (a) A statutory or home rule charter city that is not covered by the code because of action taken under section 16B.72 or 16B.73 is responsible for enforcement in the city of the code's requirements for bleacher safety. In all other areas where the code does not apply because of action taken under section 16B.72 or 16B.73, the county is responsible for enforcement of those requirements.

(b) Municipalities that have not adopted the code may enforce the code requirements for bleacher safety by either entering into a joint powers agreement for enforcement with another municipality that has adopted the code or contracting for enforcement with a qualified and certified building official or state licensed design professional to enforce the code.

(c) Municipalities, school districts, organizations, individuals, and other persons operating or owning places of public accommodation with bleachers that are subject to the safety requirements in subdivision 3 shall provide a signed certification of compliance to the commissioner by January 1, 2002. For bleachers subject to the exception in subdivision 3, clause (1), entities covered by this paragraph must have on file a bleacher safety management plan and amortization schedule. The certification shall be prepared by a qualified and certified building official or state licensed design professional and shall certify that the bleachers have been inspected and are in compliance with the requirements of this section and are structurally sound. For bleachers owned by a school district or nonpublic school, the person the district or nonpublic school designates to be responsible for buildings and grounds may make the certification.

Sec. 2. Minnesota Statutes 2000, section 123A.442, subdivision 2, is amended to read:

Subd. 2. [COOPERATION AND COMBINATION OR CONSOLIDATION.] Districts that receive a cooperative secondary facilities grant after ~~May 1, 1991~~, shall:

(1) submit a plan as set forth in section 123A.36 or 123A.48 for approval by the ~~state board of education commissioner~~; and

(2) hold a referendum ~~on approving the question of combination no later than four years or consolidation prior to the receipt of state funds~~ after a grant is awarded under subdivision 1.

The districts are eligible for cooperation and combination or consolidation revenue under section 123A.39, subdivision 3, or 123A.485.

Sec. 3. Minnesota Statutes 2000, section 123B.71, subdivision 1, is amended to read:

Subdivision 1. [CONSULTATION.] A school district shall consult with the commissioner of children, families, and learning before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility for which the estimated cost exceeds ~~\$100,000~~ \$250,000. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital expenditure facilities revenue according to section 126C.10, subdivision 14, clause (2). The commissioner may require the district to participate in a management assistance plan before conducting a review and comment on the project.

Sec. 4. Minnesota Statutes 2000, section 123B.71, subdivision 4, is amended to read:

Subd. 4. [PLAN SUBMITTAL.] For a project for which consultation is required under subdivision 1, the commissioner, after the consultation required in subdivision 1, may require a school district to submit ~~the following preliminary and final plans~~ for approval:

~~(a) two sets of preliminary plans for each new building or addition, and~~

~~(b) one set of final plans for each construction, remodeling, or site improvement project.~~ The commissioner shall approve or disapprove the plans within 90 days after submission.

Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16B.59 to 16B.73. ~~The department may furnish to a school district plans and specifications for temporary school buildings containing two classrooms or less.~~

Sec. 5. Minnesota Statutes 2000, 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 ~~\$400,000~~ \$750,000 per school site prior to review and comment by the commissioner. The commissioner may exempt a facility maintenance project funded with general education aid and levy or health and safety revenue from this provision after reviewing a written request from a school district describing the scope of work. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Sec. 6. Minnesota Statutes 2000, section 123B.71, subdivision 9, is amended to read:

Subd. 9. [INFORMATION REQUIRED.] A school board proposing to construct a facility described in subdivision 8 shall submit to the commissioner a proposal containing information including at least the following:

~~(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;~~

~~(b) the people proposed to be served, including census findings and projections for the next ten years of the number of preschool and school-aged people in the area;~~

~~(c) the reasonably anticipated need for the facility or service to be provided;~~

~~(d) a description of the construction in reasonable detail, including: the expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs; and a description of the telephone capabilities of the facility and its classrooms;~~

~~(e) a description of existing facilities within the area to be served and within school districts adjacent to the area to be served; the extent to which existing facilities or services are used; the extent to which alternate space is available, including other school districts, post-secondary institutions, other public or private buildings, or other noneducation community resources; and the anticipated effect that the facility will have on existing facilities and services;~~

~~(f) the anticipated benefit of the facility to the area;~~

~~(g) if known, the relationship of the proposed construction to any priorities that have been established for the area to be served;~~

~~(h) the availability and manner of financing the facility and the estimated date to begin and complete the facility;~~

~~(i) desegregation requirements that cannot be met by any other reasonable means;~~

~~(j) the relationship of the proposed facility to the cooperative integrated learning needs of the area;~~

~~(k) the effects of the proposed facility on the district's operating budget;~~

~~(l) the level of collaboration at the facility between the district and other governmental or nonprofit entities; and~~

~~(m) the extent to which the district has minimized administrative overhead among facilities.~~

(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 and their utilization and a discussion of the extent to which alternate facilities are available within the school district boundaries or 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, 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 specification of how the project will increase community use of the facility and whether and how the project will increase collaboration with other governmental or nonprofit entities;

(6) 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;

(7) a specification of the source of financing the project; 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;

(8) 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;

(9) a description of the consultation with local or state road and transportation officials on school site access and safety issues, and the ways that the project will address those issues;

(10) 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;

(11) 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; and

(12) a specification of any desegregation requirements that cannot be met by any other reasonable means.

Sec. 7. [REPEALER.]

Minnesota Statutes 2000, section 123B.71, subdivisions 3 and 10, are repealed.

ARTICLE 7

LIBRARIES

Section 1. Minnesota Statutes 2000, section 134.31, subdivision 5, is amended to read:

Subd. 5. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee of five members to advise the staff of the Minnesota library for the blind and physically handicapped on long-range plans and library services. Members shall be people who use the library. Section 15.059 governs this committee except that the committee shall expire on June 30, 2004 2003.

Sec. 2. [REPEALER.]

Minnesota Rules, parts 3530.2610; 3530.2612; 3530.2614; 3530.2616; 3530.2618; 3530.2620;

3530.2622; 3530.2624; 3530.2626; 3530.2628; 3530.2630; 3530.2632; 3530.2634; 3530.2636; 3530.2638; 3530.2640; 3530.2642; and 3530.2644, are repealed.

ARTICLE 8

ADVISORY COMMITTEES AND MISCELLANEOUS

K-12 EDUCATION PROVISIONS

Section 1. Minnesota Statutes 2000, section 124D.80, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The commissioner of children, families, and learning shall create one or more an 18-member American Indian education committees committee. The commissioner must appoint members with the assistance of the Indian affairs council as provided under section 3.922, subdivision 6, and the higher education services office. Members must include representatives of tribal bodies, community groups, parents of children eligible to be served by the programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian education programs, persons involved in programs for American Indian children in American Indian schools, and persons knowledgeable in the field of American Indian education. Members shall be appointed so as to be representative of significant segments of the population of American Indians, with membership consisting of representatives from the 11 reservations and the Minnesota Chippewa tribe, the chair of the Minnesota Indian affairs council, urban advisory council, and five urban at-large representatives, two of which reside in the metropolitan area, one of which resides in the Duluth area, one of which resides in the Bemidji area, and one of which resides in the southern region of the state.

Sec. 2. Minnesota Statutes 2000, section 124D.80, subdivision 2, is amended to read:

Subd. 2. [COMMITTEE TO ADVISE COMMISSIONER.] Each The committee on American Indian education programs shall advise the commissioner in the administration of the commissioner's duties under sections 124D.71 to 124D.82 and other programs for the education of American Indian people, as determined by the commissioner. The committee shall also provide advice to the commissioner in awarding scholarships to eligible American Indian students and in administering the commissioner's duties regarding awarding of American Indian post-secondary preparation grants to school districts. The committee may work in multiple subcommittees focused on general Indian education issues and scholarship-related issues.

Sec. 3. Minnesota Statutes 2000, section 124D.80, subdivision 3, is amended to read:

Subd. 3. [EXPENSES; EXPIRATION.] Each The committee must be reimbursed for expenses according to section 15.059, subdivision 6. The commissioner must determine the membership terms and the duration of each the committee, which shall expire no later than June 30, 2001 2003.

Sec. 4. Minnesota Statutes 2000, section 127A.30, is amended to read:

127A.30 [PERMANENT SCHOOL FUND ADVISORY COMMITTEE.]

A state permanent school fund advisory committee is established to advise the department of natural resources on the management of permanent school fund land, which is held in trust for the school districts of the state. The advisory committee must consist of the following persons or their designees: the chairs of the education committees of the legislature, the chairs of the senate committee on finance and house committee on ways and means, the commissioner of children, families, and learning, one superintendent from a nonmetropolitan district, and one superintendent from a metropolitan area district. The school district superintendents shall be appointed by the commissioner of children, families, and learning. The advisory committee shall expire June 30, 2003.

The advisory committee shall review the policies of the department of natural resources and current statutes on management of school trust fund lands at least semiannually and shall recommend necessary changes in statutes, policy, and implementation in order to ensure provident utilization of the permanent school fund lands.

Sec. 5. [REPEALER.]

Minnesota Statutes 2000, sections 124D.07, and 124D.23, subdivision 9, are repealed.

ARTICLE 9

CURRICULUM AND ASSESSMENT

Section 1. Minnesota Statutes 2000, section 120B.11, subdivision 5, is amended to read:

Subd. 5. [REPORT.] (a) By October 1 of each year, the school board shall use standard statewide reporting procedures the commissioner develops and adopt a report that includes the following:

- (1) student performance goals for meeting state graduation standards adopted for that year;
- (2) results of local assessment data, and any additional test data;
- (3) the annual school district improvement plans;
- (4) information about district and learning site progress in realizing previously adopted improvement plans; and
- (5) the amount and type of revenue attributed to each education site as defined in section 123B.04.

(b) The school board shall publish the report in the local newspaper with the largest circulation in the district or by mail. The board shall make a copy of the report available to the public for inspection. The board shall send a copy of the report to the commissioner of children, families, and learning by October 15 of each year.

(c) The title of the report shall contain the name and number of the school district and read "Annual Report on Curriculum, Instruction, and Student Performance." ~~The report must include at least the following information about advisory committee membership:~~

- ~~(1) the name of each committee member and the date when that member's term expires;~~
- ~~(2) the method and criteria the school board uses to select committee members; and~~
- ~~(3) the date by which a community resident must apply to next serve on the committee.~~

Sec. 2. Minnesota Statutes 2000, section 120B.22, subdivision 1, is amended to read:

Subdivision 1. [VIOLENCE PREVENTION CURRICULUM.] (a) The commissioner of children, families, and learning, in consultation with the commissioners of health and human services, state minority councils, battered women's and domestic abuse programs, battered women's shelters, sexual assault centers, representatives of religious communities, and the assistant commissioner of the office of drug policy and violence prevention, shall assist districts on request in developing or implementing a violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. ~~The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.~~

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

- (1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, sexual, racial, and cultural harassment, and student hazing that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;
- (2) planning materials, guidelines, and other accurate information on preventing physical and

emotional violence, identifying and reducing the incidence of sexual, racial, and cultural harassment, and reducing child abuse and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and service cooperatives;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior;

(8) opportunities for teachers to receive in-service training or attend other programs on strategies or curriculum designed to assist students in intervening in or preventing violence in school and at home; and

(9) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual, racial, or cultural harassment or student hazing.

~~(e) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.~~

Sec. 3. [REPEALER.]

Minnesota Statutes 2000, sections 120B.10; 120B.11, subdivisions 3, 4, and 7; and 120B.24, are repealed.

ARTICLE 10

STUDENT RIGHTS, RESPONSIBILITIES, AND BEHAVIOR

Section 1. Minnesota Statutes 2000, section 121A.06, is amended to read:

121A.06 [REPORTS OF DANGEROUS WEAPON INCIDENTS IN SCHOOL ZONES.]

Subdivision 1. [DEFINITIONS.] As used in this section:

- (1) "dangerous weapon" has the meaning given it in section 609.02, subdivision 6; and
- (2) "school" ~~has the meaning given it in section 120A.22, subdivision 4; and~~
- (3) "school zone" has the meaning given it in section 152.01, subdivision 14a, clauses (1) and (3).

Subd. 2. [REPORTS; CONTENT.] ~~By January 1, 1994, The commissioner, in consultation with the criminal and juvenile information policy group, shall develop maintain a standardized form to be used by schools to report incidents involving the use or possession of a dangerous weapon in school zones. The form shall include the following information:~~

- ~~(1) a description of each incident, including a description of the dangerous weapon involved in the incident;~~
- ~~(2) where, at what time, and under what circumstances the incident occurred;~~
- ~~(3) information about the offender, other than the offender's name, including the offender's~~

~~age; whether the offender was a student and, if so, where the offender attended school; and whether the offender was under school expulsion or suspension at the time of the incident;~~

~~(4) information about the victim other than the victim's name, if any, including the victim's age; whether the victim was a student and, if so, where the victim attended school; and if the victim was not a student, whether the victim was employed at the school;~~

~~(5) the cost of the incident to the school and to the victim; and~~

~~(6) the action taken by the school administration to respond to the incident.~~

~~The commissioner also shall develop an alternative reporting format that allows school districts to provide aggregate data, with an option to use computer technology to report the data.~~

Subd. 3. [REPORTS; FILING REQUIREMENTS.] By February 1 and July 1 of each year, each school shall report incidents involving the use or possession of a dangerous weapon in school zones to the commissioner. The reports must be made on the standardized forms or using the alternative format developed by the commissioner under subdivision 2. The commissioner shall compile the information it receives from the schools and report it annually to the commissioner of public safety, the criminal and juvenile information policy group, and the legislature.

Sec. 2. Minnesota Statutes 2000, section 121A.11, subdivision 1, is amended to read:

Subdivision 1. [DISPLAYED BY SCHOOLS.] Every public school in Minnesota must display an appropriate United States flag when in session. ~~The flag shall be displayed upon the school grounds or outside the school building, on a proper staff, on every legal holiday occurring during the school term and at such other times as the board of the district may direct.~~ The flag must be displayed within the principal rooms of the school building at all other times while school is in session.

Sec. 3. Minnesota Statutes 2000, section 121A.15, is amended to read:

121A.15 [HEALTH STANDARDS; IMMUNIZATIONS; SCHOOL CHILDREN.]

Subdivision 1. Except as provided in subdivisions 3, 4, and 10, no person over two months old may be allowed to enroll or remain enrolled in any elementary or secondary school or child care facility in this state until the person has submitted to the administrator ~~or other person having general control and supervision of the school or child care facility,~~ one of the following statements:

(1) a statement from a ~~physician or a public clinic which provides immunizations an immunization provider~~ stating that the person has received immunization, consistent with medically acceptable standards, against measles after having attained the age of 12 months, rubella, diphtheria, tetanus, pertussis, polio, mumps, haemophilus influenza type b, and hepatitis B; or

(2) a statement from a ~~physician or a public clinic which provides immunizations an immunization provider~~ stating that the person has received immunizations, consistent with medically acceptable standards, against measles after having attained the age of 12 months, rubella, mumps, and haemophilus influenza type b and that the person has commenced a schedule of immunizations for diphtheria, tetanus, pertussis, polio, and hepatitis B and which indicates the month and year of each immunization received.

Subd. 2. [SCHEDULE OF IMMUNIZATIONS.] No person who has commenced a treatment schedule of immunization pursuant to subdivision 1, clause (2), may remain enrolled in any child care facility, elementary, or secondary school in this state after 18 months of enrollment unless there is submitted to the administrator, ~~or other person having general control and supervision of the school or child care facility,~~ a statement from a physician or a public clinic which provides ~~immunizations an immunization provider's~~ statement that the person has completed the primary schedule of immunizations for diphtheria, tetanus, pertussis, polio, and hepatitis B. The statement must include the month, day, and year of each additional immunization received. For a child less

than seven years of age, a primary schedule of immunizations shall consist of four doses of vaccine for diphtheria, tetanus, and pertussis and three doses of vaccine for poliomyelitis and hepatitis B. For a child seven years of age or older, a primary schedule of immunizations shall consist of three doses of vaccine for diphtheria, tetanus, polio, and hepatitis B as specified in subdivision 10.

Subd. 3. [EXEMPTIONS FROM IMMUNIZATIONS.] (a) If a person is at least seven years old and has not been immunized against pertussis, the person must not be required to be immunized against pertussis.

(b) If a person is at least 18 years old and has not completed a series of immunizations against poliomyelitis, the person must not be required to be immunized against poliomyelitis.

(c) If a statement, signed by a physician, is submitted to the administrator ~~or other person having general control and supervision of the school or child care facility~~ stating that an immunization is contraindicated for medical reasons or that laboratory confirmation of the presence of adequate immunity exists, the immunization specified in the statement need not be required.

(d) If a notarized statement signed by the minor child's parent or guardian or by the emancipated person is submitted to the administrator ~~or other person having general control and supervision of the school or child care facility~~ stating that the person has not been immunized as prescribed in subdivision 1 because of the conscientiously held beliefs of the parent or guardian of the minor child or of the emancipated person, the immunizations specified in the statement shall not be required. This statement must also be forwarded to the commissioner of the department of health.

(e) If the person is under 15 months, the person is not required to be immunized against measles, rubella, or mumps.

(f) If a person is at least five years old and has not been immunized against haemophilus influenza type b, the person is not required to be immunized against haemophilus influenza type b.

Subd. 4. [SUBSTITUTE IMMUNIZATION STATEMENT.] (a) A person who is enrolling or enrolled in an elementary or secondary school or child care facility may substitute a statement from the emancipated person or a parent or guardian if the person is a minor child in lieu of the statement from ~~a physician or public clinic which provides immunizations~~ an immunization provider. If the statement is from a parent or guardian or emancipated person, the statement must indicate the month and year of each immunization given.

(b) In order for the statement to be acceptable for a person who is enrolling in an elementary school and who is six years of age or younger, it must indicate that the following was given: no less than one dose of vaccine each for measles, mumps, and rubella ~~given separately or in combination~~; no less than four doses of vaccine for poliomyelitis, unless the third dose was given after the fourth birthday, then three doses are minimum; no less than five doses of vaccine for diphtheria, tetanus, and pertussis, unless the fourth dose was given after the fourth birthday, then four doses are minimum; and no less than three doses of vaccine for hepatitis B as specified in subdivision 10.

(c) In order for the statement to be consistent with subdivision 10 and acceptable for a person who is enrolling in an elementary or secondary school and is age seven through age 19, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella ~~given separately or in combination~~, and no less than three doses of vaccine for poliomyelitis, diphtheria, tetanus, and hepatitis B.

(d) In order for the statement to be acceptable for a person who is enrolling in a secondary school, and who was born after 1956 and is 20 years of age or older, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella ~~given separately or in combination~~, and no less than one dose of vaccine for diphtheria and tetanus within the preceding ten years.

(e) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is at least 15 months old but who has not reached five years of age, it must indicate that the following were given: no less than one dose of vaccine each for measles, mumps, and rubella ~~given separately or in combination~~; no less than one dose of vaccine for haemophilus influenza type b; no less than four doses of vaccine for diphtheria, tetanus, and pertussis; and no less than three doses of vaccine for poliomyelitis.

(f) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is five or six years of age, it must indicate that the following was given: no less than one dose of vaccine each for measles, mumps, and rubella ~~given separately or in combination~~; no less than four doses of vaccine for diphtheria, tetanus, and pertussis; and no less than three doses of vaccine for poliomyelitis.

(g) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is seven years of age or older, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella ~~given separately or in combination~~ and, consistent with subdivision 10, and no less than three doses of vaccine for poliomyelitis, diphtheria, and tetanus.

~~(h) The commissioner of health, on finding that any of the above requirements are not necessary to protect the public's health, may suspend for one year that requirement.~~

Subd. 5. [TRANSFER OF IMMUNIZATION STATEMENTS.] If a person transfers from one elementary or secondary school to another, the school board of a public school district or the administrator of a nonpublic school may allow the person up to a maximum of 30 days to submit one or more of the statements as specified in subdivision 1 or 3, during which time the person may enroll in and attend the school. If a person enrolls in a child care facility in which at least 75 percent of children in the facility participate on a one-time only or occasional basis to a maximum of 45 hours per child, per month, or is placed in a facility by a crisis nursery, the person shall be exempt from all requirements of this section for up to five consecutive days, starting from the first day of attendance.

Subd. 6. [SUSPENSION OF IMMUNIZATION REQUIREMENT.] The commissioner of health, on finding that an immunization required pursuant to this section is not necessary to protect the public's health, may suspend for one year the requirement that children receive that immunization.

Subd. 7. [FILE ON IMMUNIZATION RECORDS.] Each school or child care facility shall maintain on file immunization records for all persons in attendance that contain the information required by subdivisions 1, 2, and 3. The school shall maintain the records for at least five years after the person attains the age of majority. The department of health and the board of health, as defined in section 145A.02, subdivision 2, in whose jurisdiction the school or child care facility is located, shall have access to the files maintained pursuant to this subdivision. When a person transfers to another elementary or secondary school or child care facility, the administrator ~~or other person having general control and supervision of the school or child care facility~~ shall assist the person's parent or guardian in the transfer of the immunization file to the person's new school or child care facility within 30 days of the transfer. Upon the request of a public or private post-secondary educational institution, as defined in section 135A.14, the administrator ~~or other person having general control or supervision of a school~~ shall assist in the transfer of a student's immunization file to the post-secondary institution.

Subd. 8. [REPORT.] The administrator ~~or other person having general control and supervision of the elementary or secondary school~~ shall file a report with the commissioner on all persons enrolled in the school. The superintendent of each district shall file a report with the commissioner for all persons within the district receiving instruction in a home school in compliance with sections 120A.22 and 120A.24. The parent of persons receiving instruction in a home school shall submit the statements as required by subdivisions 1, 2, 3, and 4 to the superintendent of the district in which the person resides by October 1 of each school year. The school report must be prepared on forms developed jointly by the commissioner of health and the commissioner of children, families, and learning and be distributed to the local districts by the commissioner of health. The

school report must state the number of persons attending the school, the number of persons who have not been immunized according to subdivision 1 or 2, and the number of persons who received an exemption under subdivision 3, clause (c) or (d). The school report must be filed with the commissioner of children, families, and learning within 60 days of the commencement of each new school term. Upon request, a district must be given a 60-day extension for filing the school report. The commissioner of children, families, and learning shall forward the report, or a copy thereof, to the commissioner of health who shall provide summary reports to boards of health as defined in section 145A.02, subdivision 2. The administrator ~~or other person having general control and supervision of the child care facility~~ shall file a report with the commissioner of human services on all persons enrolled in the child care facility. The child care facility report must be prepared on forms developed jointly by the commissioner of health and the commissioner of human services and be distributed to child care facilities by the commissioner of health. The child care facility report must state the number of persons enrolled in the facility, the number of persons with no immunizations, the number of persons who received an exemption under subdivision 3, clause (c) or (d), and the number of persons with partial or full immunization histories. The child care facility report must be filed with the commissioner of human services by November 1 of each year. The commissioner of human services shall forward the report, or a copy thereof, to the commissioner of health who shall provide summary reports to boards of health as defined in section 145A.02, subdivision 2. The report required by this subdivision is not required of a family child care or group family child care facility, for prekindergarten children enrolled in any elementary or secondary school provided services according to sections 125A.05 and 125A.06, nor for child care facilities in which at least 75 percent of children in the facility participate on a one-time only or occasional basis to a maximum of 45 hours per child, per month.

Subd. 9. [DEFINITIONS.] As used in this section the following terms have the meanings given them.

(a) "Elementary or secondary school" includes any public school as defined in section 120A.05, subdivisions 9, 11, 13, and 17, or nonpublic school, church, or religious organization, or home school in which a child is provided instruction in compliance with sections 120A.22 and 120A.24.

(b) "Person enrolled in any elementary or secondary school" means a person ~~born after 1956 and~~ enrolled in grades kindergarten through 12, and a child with a disability receiving special instruction and services as required in ~~sections section~~ 125A.03 ~~to 125A.24 and 125A.65,~~ excluding a child being provided services according to section 125A.05, ~~paragraph (c), or 125A.06, paragraph (d).~~

(c) "Child care facility" includes those child care programs subject to licensure under chapter 245A, and Minnesota Rules, chapters 9502 and 9503.

(d) "Family child care" means child care for no more than ten children at one time of which no more than six are under school age. The licensed capacity must include all children of any caregiver when the children are present in the residence.

(e) "Group family child care" means child care for no more than 14 children at any one time. The total number of children includes all children of any caregiver when the children are present in the residence.

(f) "Administrator" means any individual having general control and supervision of a school or child care facility.

(g) "Immunization provider" means any physician, health care provider, or public clinic that provides immunizations.

Subd. 10. [REQUIREMENTS FOR IMMUNIZATION STATEMENTS.] A statement required to be submitted under subdivisions 1, 2, and 4 to document evidence of immunization shall include month, day, and year for immunizations administered after January 1, 1990.

(a) ~~For persons enrolled in grades 7 and 12 during the 1996-1997 school term, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.~~

~~(b) Except as specified in paragraph (e), for persons enrolled in grades 7, 8, and 12 during the 1997-1998 school term, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.~~

~~(e) Except as specified in paragraph (e) (c), for persons enrolled in grades 7 through 12 during the 1998-1999 school term and for each year thereafter, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.~~

~~(d) (b) For persons enrolled in grades 7 through 12 during the 1996-1997 school year and for each year thereafter, the statement must indicate that the person has received at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart.~~

~~(e) (c) A person who has received at least three doses of tetanus and diphtheria toxoids, with the most recent dose given after age six and before age 11, is not required to have additional immunization against diphtheria and tetanus until ten years have elapsed from the person's most recent dose of tetanus and diphtheria toxoid.~~

~~(f) (d) The requirement for hepatitis B vaccination shall apply to persons enrolling in kindergarten beginning with the 2000-2001 school term.~~

~~(g) (e) The requirement for hepatitis B vaccination shall apply to persons enrolling in grade 7 beginning with the 2001-2002 school term.~~

Subd. 11. [COMMISSIONER OF HUMAN SERVICES; CONTINUED RESPONSIBILITIES.] Nothing in this section relieves the commissioner of human services of the responsibility, under chapter 245A, to inspect and assure that statements required by this section are on file at child care programs subject to licensure.

Sec. 4. Minnesota Statutes 2000, section 121A.26, is amended to read:

121A.26 [SCHOOL PREASSESSMENT TEAMS.]

Every public school, and every nonpublic school that participates in a school district chemical abuse program shall establish a chemical abuse preassessment team. The preassessment team must be composed of classroom teachers, administrators, and to the extent they exist in each school, school nurse, school counselor or psychologist, social worker, chemical abuse specialist, and other appropriate professional staff. The superintendents or their designees shall designate the team members in the public schools. The preassessment team is responsible for addressing reports of chemical abuse problems and making recommendations for appropriate responses to the individual reported cases. Districts shall adopt a process for addressing reports of chemical abuse problems.

~~Within 45 days after receiving an individual reported case, the preassessment team shall make a determination whether to provide the student and, in the case of a minor, the student's parents with information about school and community services in connection with chemical abuse. Data may be disclosed without consent in health and safety emergencies pursuant to section 13.32 and applicable federal law and regulations.~~

~~Notwithstanding section 138.163, destruction of records identifying individual students shall be governed by this section. If the preassessment team decides not to provide a student and, in the case of a minor, the student's parents with information about school or community services in connection with chemical abuse, records created or maintained by the preassessment team about the student shall be destroyed not later than six months after the determination is made. If the preassessment team decides to provide a student and, in the case of a minor, the student's parents with information about school or community services in connection with chemical abuse, records created or maintained by the preassessment team about the student shall be destroyed not later than six months after the student is no longer enrolled in the district.~~

Sec. 5. Minnesota Statutes 2000, section 121A.27, is amended to read:

121A.27 [SCHOOL AND COMMUNITY ADVISORY TEAM.]

The superintendent, with the advice of the school board, shall establish a school and community advisory team to address chemical abuse problems in the district. ~~The school and community advisory team must be composed of representatives from the school preassessment team established in section 121A.26, to the extent possible, law enforcement agencies, county attorney's office, social service agencies, chemical abuse treatment programs, parents, and the business community. The community advisory team shall:~~

~~(1) build awareness of the problem within the community, identify available treatment and counseling programs for students and develop good working relationships and enhance communication between the schools and other community agencies; and~~

~~(2) develop a written procedure clarifying the notification process to be used by the chemical abuse preassessment team established under section 121A.26 when a student is believed to be in possession of or under the influence of alcohol or a controlled substance. The procedure must include contact with the student, and the student's parents or guardian in the case of a minor student.~~

Sec. 6. Minnesota Statutes 2000, section 121A.28, is amended to read:

121A.28 [LAW ENFORCEMENT RECORDS.]

A law enforcement agency shall provide notice of any drug incident occurring within the agency's jurisdiction, in which the agency has probable cause to believe a student violated section 152.021, 152.022, 152.023, 152.024, 152.025, 152.027, 152.097, or 340A.503, subdivision 1, 2, or 3. The notice shall be in writing and shall be provided, within two weeks after an incident occurs, to the ~~chemical abuse preassessment team in the school~~ where the student is enrolled.

Sec. 7. Minnesota Statutes 2000, section 121A.29, subdivision 1, is amended to read:

Subdivision 1. [TEACHER'S DUTY.] A teacher in a nonpublic school participating in a school district chemical use program, or a public school teacher, who knows or has reason to believe that a student is using, possessing, or transferring alcohol or a controlled substance while on the school premises or involved in school-related activities, shall immediately notify the ~~school's chemical abuse preassessment team~~ school of this information. A teacher who complies with this section shall be defended and indemnified under section 466.07, subdivision 1, in any action for damages arising out of the compliance.

Sec. 8. Minnesota Statutes 2000, section 121A.32, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT TO WEAR EYE PROTECTIVE DEVICES.] (a) As a condition of enrollment in a course or activity, every person student shall wear industrial quality eye protective devices when participating in, observing or performing any function in connection with, any courses or activities taking place in eye protection areas, as defined in subdivision 3, of any school, college, university or other educational elementary or secondary institution in the state.

(b) Industrial quality eye protective devices are defined as those meeting the standards of the American National Standards Institute, currently identified as ANSI 287.1-1968.

(c) Any student failing to comply with this requirement may be temporarily suspended from participation in that activity. Repeated failure to comply with this requirement shall result in cancellation of the student from the activity or course.

Sec. 9. Minnesota Statutes 2000, section 121A.34, is amended to read:

121A.34 [SCHOOL SAFETY PATROLS.]

Subdivision 1. [ESTABLISHMENT.] ~~In the exercise of authorized control and supervision over pupils attending schools and other educational institutions, both public and private, The governing board or other directing authority of any such school or institution is empowered to authorize the organization and supervision of school safety patrols for the purpose of influencing~~

and encouraging other pupils to refrain from crossing public highways at points other than regular crossings and for the purpose of directing pupils when and where to cross highways.

Subd. 2. [APPOINTMENT OF MEMBERS.] ~~Unless the parents or guardian of a pupil object in writing to the school authorities to the appointment of the pupil on a school safety patrol, it is lawful for any A pupil over nine years of age to old may be appointed and designated as a member of to the patrol in any school in which. If there are no pupils who have attained such age at least nine years old, then any pupil in the highest grade therein in that school may be so appointed and designated. The pupil's parent or guardian may object to the appointment in writing to school authorities. School authorities may also appoint and designate nonpupil adults as members of a school safety patrol on a voluntary or for-hire basis.~~

Subd. 3. [LIABILITY NOT TO ATTACH.] ~~No liability shall attach either to the A school, educational institution, governing board, directing authority, or any individual director, board member, superintendent, principal, teacher, or other school authority by virtue of the organization, maintenance, or operation of such a school safety patrol shall not be liable because of injuries sustained by any pupil, whether a member of the patrol or otherwise by reason of due to the operation and maintenance of the patrol.~~

Subd. 4. [IDENTIFY, OPERATION.] Identification and operation of school safety patrols shall be uniform throughout the state and the method of identification and signals to be used shall be as prescribed by the commissioner of public safety. ~~School safety patrol members may wear fluorescent reflective vests.~~

Sec. 10. Minnesota Statutes 2000, section 121A.55, is amended to read:

121A.55 [POLICIES TO BE ESTABLISHED.]

(a) The commissioner of children, families, and learning shall promulgate guidelines to assist each school board. Each school board shall establish uniform criteria for dismissal and adopt written policies and rules to effectuate the purposes of sections 121A.40 to 121A.56. The policies shall emphasize preventing dismissals through early detection of problems and shall be designed to address students' inappropriate behavior from recurring. The policies shall recognize the continuing responsibility of the school for the education of the pupil during the dismissal period. The alternative educational services, if the pupil wishes to take advantage of them, must be adequate to allow the pupil to make progress towards meeting the graduation standards adopted under section 120B.02 and help prepare the pupil for readmission.

(b) An area learning center under section 123A.05 may not prohibit an expelled or excluded pupil from enrolling solely because a district expelled or excluded the pupil. The board of the area learning center may use the provisions of the Pupil Fair Dismissal Act to exclude a pupil or to require an admission plan.

~~(c) The commissioner shall actively encourage and assist school districts to cooperatively establish alternative educational services within school buildings or at alternative program sites that offer instruction to pupils who are dismissed from school for willfully engaging in dangerous, disruptive, or violent behavior, including for possessing a firearm in a school zone.~~

Sec. 11. Minnesota Statutes 2000, section 121A.69, subdivision 3, is amended to read:

Subd. 3. [SCHOOL BOARD POLICY.] Each school board shall adopt a written policy governing student or staff hazing. The policy must apply to student behavior that occurs on or off school property and during and after school hours. ~~The policy must include reporting procedures and disciplinary consequences for violating the policy. Disciplinary consequences must be sufficiently severe to deter violations and appropriately discipline prohibited behavior. Disciplinary consequences must conform with sections 121A.41 to 121A.56. Each school must include the policy in the student handbook on school policies.~~

Sec. 12. [REPEALER.]

Minnesota Statutes 2000, sections 121A.03, subdivision 3; 121A.16; 121A.32, subdivisions 2, 4, and 5; and 121A.41, subdivision 3, are repealed.

ARTICLE 11
TEACHERS AND OTHER EDUCATORS

Section 1. Minnesota Statutes 2000, section 122A.09, subdivision 6, is amended to read:

Subd. 6. [REGISTER OF PERSONS LICENSED.] The executive secretary of the board of teaching shall keep a record of the proceedings of and a register of all persons licensed pursuant to the provisions of this chapter. ~~The register must show the name, address, license number and the renewal of the license. The board must on July 1, of each year or as soon thereafter as is practicable, compile a list of such duly licensed teachers and transmit a copy of the list to the board.~~ A copy of the register must be available during business hours at the office of the board to any interested person.

Sec. 2. Minnesota Statutes 2000, section 122A.15, is amended to read:

122A.15 [TEACHERS, SUPERVISORY AND SUPPORT PERSONNEL, DEFINITIONS, LICENSURE.]

Subdivision 1. [TEACHERS.] The term "teachers" for the purpose of licensure, means all persons employed in a public school or education district or by a service cooperative as members of the instructional, supervisory, and support staff including superintendents, principals, supervisors, secondary vocational and other classroom teachers, librarians, counselors, school psychologists, school nurses, school social workers, audio-visual directors and coordinators, recreation personnel, media generalists, media supervisors, and ~~speech therapists~~ educational speech-language pathologists.

Subd. 2. [SUPERVISORY PERSONNEL.] "Supervisory personnel" for the purpose of licensure means superintendents, principals, and professional employees who devote 50 percent or more of their time to administrative or supervisory duties over other personnel, ~~and includes athletic coaches.~~

Sec. 3. Minnesota Statutes 2000, section 122A.22, is amended to read:

122A.22 [DISTRICT RECORDING OF TEACHER LICENSES.]

No person shall be accounted a qualified teacher until the person has filed either a teaching license for record or a certified copy of a teaching license with the district superintendent where the person intends to teach a license, or certified copy of a license, authorizing the person to teach school in the district school system.

Sec. 4. Minnesota Statutes 2000, section 122A.40, subdivision 5, is amended to read:

Subd. 5. [PROBATIONARY PERIOD.] (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and after completion thereof, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period. Evaluation must occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. ~~However,~~ The board must give any such probationary teacher whose contract it declines to renew for the following school year written notice to that effect before July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may,

after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

(b) A board must discharge a probationary 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.

Sec. 5. Minnesota Statutes 2000, section 122A.40, subdivision 8, is amended to read:

Subd. 8. [~~PEER REVIEW FOR CONTINUING CONTRACT TEACHERS.~~] A school board and an exclusive representative of the teachers in the district shall develop a peer review process for continuing contract teachers and probationary teachers through joint agreement.

Sec. 6. Minnesota Statutes 2000, section 122A.40, subdivision 19, is amended to read:

Subd. 19. [RECORDS RELATING TO INDIVIDUAL TEACHER; ACCESS; EXPUNGEMENT.] All evaluations and files generated within a school district relating to each individual teacher must be available to each individual teacher upon written request. Effective January 1, 1976, all evaluations and files, wherever generated, relating to each individual teacher must be available to each individual teacher upon written request. The teacher shall have the right to reproduce any of the contents of the files at the teacher's expense and to submit for inclusion in the file written information in response to any material contained therein.

A district may destroy the files as provided by law and must expunge from the teacher's file any material found to be false or inaccurate through the grievance procedure required pursuant to section 179A.20, subdivision 4. The grievance procedure promulgated by the director of the bureau of mediation services, pursuant to section 179A.04, subdivision 3, clause (h), applies to those principals and supervisory employees not included in an appropriate unit as defined in section 179A.03. Expungement proceedings must be commenced within the time period provided in the collective bargaining agreement for the commencement of a grievance. If no time period is provided in the bargaining agreement, the expungement proceedings must commence within 15 days after the teacher has knowledge of the inclusion in the teacher's file of the material the teacher seeks to have expunged.

Sec. 7. Minnesota Statutes 2000, section 122A.41, subdivision 15, is amended to read:

Subd. 15. [RECORDS RELATING TO INDIVIDUAL TEACHER; ACCESS; EXPUNGEMENT.] All evaluations and files generated within a district relating to each individual teacher must be available to each individual teacher upon the teacher's written request. Effective January 1, 1976, all evaluations and files, wherever generated, relating to each individual teacher must be available to each individual teacher upon the teacher's written request. The teacher has the right to reproduce any of the contents of the files at the teacher's expense and to submit for inclusion in the file written information in response to any material contained therein.

A district may destroy the files as provided by law and must expunge from the teacher's file any material found to be false or substantially inaccurate through the grievance procedure required pursuant to section 179A.20, subdivision 4. The grievance procedure promulgated by the director of the bureau of mediation services, pursuant to section 179A.04, subdivision 3, clause (h), applies to those principals and supervisory employees not included in an appropriate unit as defined in section 179A.03. Expungement proceedings must be commenced within the time period provided in the collective bargaining agreement for the commencement of a grievance. If no time period is provided in the bargaining agreement, the expungement proceedings must commence within 15 days after the teacher has knowledge of the inclusion in the teacher's file of the material the teacher seeks to have expunged.

Sec. 8. Minnesota Statutes 2000, section 122A.51, is amended to read:

122A.51 [TEACHER LUNCH PERIOD.]

A teacher must be provided with a duty-free lunch period, scheduled according to school board policy or negotiated agreement.

Sec. 9. Minnesota Statutes 2000, section 122A.58, subdivision 1, is amended to read:

Subdivision 1. [TERMINATION; HEARING.] Before a district terminates during the interscholastic sports season the coaching duties of an employee who is required to hold a license as an athletic coach from the commissioner of children, families, and learning a head varsity coach of an interscholastic sport at the secondary school level, the district must notify the employee in writing and state its reason for the proposed termination. Within 14 days of receiving this notification, the employee may request in writing a hearing on the termination before the commissioner. If a hearing is requested, the commissioner must hold a hearing within 25 days according to the hearing procedures specified in section 122A.40, subdivision 14, and the termination is final upon the order of the commissioner after the hearing.

Sec. 10. Minnesota Statutes 2000, section 122A.60, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT COMMITTEE.] A school board must use the revenue authorized in section 122A.61 for in-service education for programs under section 120B.22, ~~subdivision 2,~~ or for staff development plans under this section. The board must establish an advisory staff development committee to develop the plan, assist site professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee and the site professional development team must be teachers representing various grade levels, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators. Districts must report staff development ~~results and~~ expenditures to the commissioner in the form and manner determined by the commissioner. The expenditure report must include expenditures by the board for district level activities and expenditures made by the staff. The report must provide a breakdown of expenditures for (1) curriculum development and programs, (2) in-service education, workshops, and conferences, and (3) the cost of teachers or substitute teachers for staff development purposes. Within each of these categories, the report must also indicate whether the expenditures were incurred at the district level or the school site level, and whether the school site expenditures were made possible by the grants to school sites that demonstrate exemplary use of allocated staff development revenue. These expenditures are to be reported using the UFARS system. The commissioner shall report the staff development expenditure data to the education committees of the legislature by February 15 each year.

Sec. 11. Minnesota Statutes 2000, section 122A.68, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] A school district with a teaching residency plan approved by the board of teaching may hire graduates of approved Minnesota teacher preparation programs as teaching residents. A district shall employ each resident for one school year. The district and the resident may agree to extend the residency for one additional school year. A school may employ no more than one teaching resident for every eight full-time equivalent licensed teachers. ~~No more than 600 eligible teachers may be employed as teacher residents in any one school year.~~

Sec. 12. Minnesota Statutes 2000, section 122A.68, subdivision 7, is amended to read:

Subd. 7. [RECOMMENDATION FOR LICENSURE REQUIREMENTS.] The board of teaching must ~~develop~~ maintain for teachers of students in prekindergarten through grade 12, model teaching residency outcomes and assessments, and mentoring programs.

Sec. 13. Minnesota Statutes 2000, section 122A.69, is amended to read:

122A.69 [~~PRACTICE OR~~ STUDENT TEACHERS.]

The board may, by agreements with teacher preparing institutions, arrange for classroom experience in the district for ~~practice or~~ student teachers who have completed not less than two years of an approved teacher education program. ~~Such practice~~ Student teachers must be provided with appropriate supervision by a fully qualified teacher under rules promulgated by the board. ~~Practice~~ Student teachers are deemed employees of the school district in which they are rendering services for purposes of workers' compensation; liability insurance, if provided for other district

employees in accordance with section 123B.23; and legal counsel in accordance with the provisions of section 123B.25.

Sec. 14. Minnesota Statutes 2000, section 122A.70, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS.] The board of teaching must make application forms available to sites interested in developing or expanding a mentorship program. A school district, a group of school districts, or a coalition of districts, teachers and teacher education institutions may apply for a teacher mentorship program grant. The board of teaching, ~~in consultation with the teacher mentoring task force,~~ must approve or disapprove the applications. To the extent possible, the approved applications must reflect effective mentoring components, include a variety of coalitions and be geographically distributed throughout the state. The board of teaching must encourage the selected sites to consider the use of its assessment procedures.

Sec. 15. Minnesota Statutes 2000, section 122A.91, is amended to read:

122A.91 [DESIGNATED STATE OFFICIAL.]

For the purposes of the agreement set forth in section 122A.90, the designated state official for this state is the ~~commissioner of children, families, and learning~~ executive secretary of the board of teaching.

Sec. 16. Minnesota Statutes 2000, section 122A.92, is amended to read:

122A.92 [RECORD OF CONTRACTS.]

Two copies of all contracts made on behalf of this state pursuant to the agreement set forth in section 122A.90 must be kept on file in the office of the ~~commissioner of children, families, and learning~~ board of teaching.

Sec. 17. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall renumber Minnesota Statutes, section 122A.61, subdivision 2, as Minnesota Statutes, section 124D.311. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Sec. 18. [REPEALER.]

Minnesota Statutes 2000, sections 122A.19, subdivision 2; 122A.32; 122A.33; 122A.40, subdivision 6; 122A.42; 122A.52; 122A.53; 122A.71; 122A.72; and 122A.75, are repealed.

ARTICLE 12

SCHOOL DISTRICTS; FORMS FOR ORGANIZING

Section 1. Minnesota Statutes 2000, section 123A.06, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM FOCUS.] ~~(a) The programs and services of a center must focus on academic and learning skills, applied learning opportunities, trade and vocational skills, work-based learning opportunities, work experience, youth service to the community, transition services, and English language and literacy programs for children whose primary language is a language other than English. Applied learning, work-based learning, and service learning may best be developed in collaboration with a local education and transitions partnership, culturally based organizations, mutual assistance associations, or other community resources. In addition to offering programs, the center shall coordinate the use of other available educational services, special education services, social services, health services, and post-secondary institutions in the community and services area.~~

(b) Consistent with the requirements of sections 121A.40 to 121A.56, a school district may provide an alternative education program for a student who is within the compulsory attendance age under section 120A.20, and who is involved in severe or repeated disciplinary action.

Sec. 2. [REPEALER.]

(a) Minnesota Statutes 2000, sections 123A.06, subdivision 3; 123A.07; 123A.15, subdivision 1; 123A.35; 123A.36; 123A.37; 123A.38; 123A.39, subdivisions 1, 2, and 4; 123A.40; 123A.41, subdivision 1; and 123A.43, are repealed.

(b) Minnesota Statutes 2000, section 123A.41, subdivision 4, is repealed effective July 1, 2002.

ARTICLE 13

SCHOOL DISTRICT POWERS AND DUTIES

Section 1. Minnesota Statutes 2000, section 123B.02, subdivision 1, is amended to read:

Subdivision 1. [BOARD AUTHORITY.] The board must have the general charge of the business of the district, the school houses, and of the interests of the schools thereof. The board's authority to govern, manage, and control the district; to carry out its duties and responsibilities; and to conduct the business of the district includes implied powers in addition to any specific powers granted by the legislature.

Sec. 2. Minnesota Statutes 2000, section 123B.02, subdivision 2, is amended to read:

Subd. 2. [FACILITIES FOR SCHOOL-AGE CHILDREN.] It is the duty and the function of the district to furnish school facilities to every child of school age residing in any part of the district. The board may establish and organize and alter and discontinue such grades or schools as it may deem advisable and assign to each school and grade a proper number of pupils. ~~The board shall provide free textbooks for the pupils of the district.~~

Sec. 3. Minnesota Statutes 2000, section 123B.02, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) A district must not be required by any type of formal or informal agreement except an agreement to provide building space according to paragraph (f), including a joint powers agreement, or membership in any cooperative unit defined in section 123A.24, subdivision 2, to participate in or provide financial support for the purposes of the agreement for a time period in excess of four fiscal years, or the time period set forth in this subdivision. Any agreement, part of an agreement, or other type of requirement to the contrary is void. This paragraph applies only to agreements entered into between July 1, 1993, and June 30, 1999.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred as a result of any agreement before July 1, 1993. The district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on July 1, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, if the annual payments of the district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the board must adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year except that for a member of an education district organized under sections 123A.15 to 123A.19 or an intermediate district organized under chapter 136D, cessation or withdrawal shall be effective June 30 of the following fiscal year. At the option of the board, cessation or withdrawal may be effective June 30 of the following fiscal year for a district participating in any type of agreement.

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement must adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution must be adopted within a time sufficient to allow the board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in sections 122A.40, 122A.41, and 123A.33. The governing body responsible for implementing the

agreement shall notify each participating board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or
- (3) its intention to terminate participation in the agreement.

A board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) ~~After July 1, 1993,~~ A district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

(f) A district that is a member of a cooperative unit as defined in section 123A.24, subdivision 2, may obligate itself to participate in and provide financial support for an agreement with a cooperative unit to provide school building space for a term not to exceed two years with an option on the part of the district to renew for an additional two years.

(g) Notwithstanding any limitations imposed under this subdivision, a school district may, according to section 123B.51, subdivision 4, enter into a lease of all or a portion of a schoolhouse that is not needed for school purposes, including, but not limited to, a lease with a term of more than one year.

Sec. 4. Minnesota Statutes 2000, section 123B.04, subdivision 2, is amended to read:

Subd. 2. [AGREEMENT.] (a) Either the school board or the school site decision-making team may request that the school board enter into an agreement with a school site decision-making team concerning the governance, management, or control of the school. ~~A school site decision-making team may include the school principal, teachers in the school or their designee, other employees in the school, parents of pupils in the school, representatives of pupils in the school, or other members in the community. The school site decision-making team shall include the school principal or other person having general control and supervision of the school. A school district must provide notice to parents about site decision-making teams and inform parents about how to be involved with the site decision-making team. The site decision-making team must reflect the diversity of the student body of the education site. No more than one-half of the members shall be employees of the district, unless an employee is the parent of a student enrolled in the school site, in which case the employee may elect to serve as a parent member of the site team.~~

(b) School site decision-making agreements must delegate powers, duties, and broad management responsibilities to site teams and involve staff members, students as appropriate, and parents in decision making.

(c) ~~An agreement shall include a statement of powers, duties, responsibilities, and authority to be delegated to and within the site.~~

(d) An agreement may include:

(1) an achievement contract according to subdivision 4;

(2) a mechanism to allow principals, or other persons having general control and supervision of the school, to make decisions regarding how financial and personnel resources are best allocated at the site and from whom goods or services are purchased;

(3) a mechanism to implement parental involvement programs under section 124D.895 and to provide for effective parental communication and feedback on this involvement at the site level;

(4) a provision that would allow the team to determine who is hired into licensed and nonlicensed positions;

(5) a provision that would allow teachers to choose the principal or other person having general control;

(6) an amount of revenue allocated to the site under subdivision 3; and

(7) any other powers and duties determined appropriate by the board.

The school board of the district remains the legal employer under clauses (4) and (5).

(e) Any powers or duties not delegated to the school site management team in the school site management agreement shall remain with the school board.

(f) Approved agreements shall be filed with the commissioner. If a school board denies a request to enter into a school site management agreement, it shall provide a copy of the request and the reasons for its denial to the commissioner.

Sec. 5. Minnesota Statutes 2000, section 123B.04, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER'S ROLE.] The commissioner of children, families, and learning, in consultation with appropriate educational organizations, shall:

(1) upon request, provide technical support for districts and sites with agreements under this section;

(2) conduct and compile research on the effectiveness of site decision making; and

(3) periodically report on and evaluate the effectiveness of site management agreements on a statewide basis.

Sec. 6. Minnesota Statutes 2000, section 123B.09, subdivision 8, is amended to read:

Subd. 8. [DUTIES.] The board must superintend and manage the schools of the district; adopt rules for their organization, government, and instruction; keep registers; and prescribe textbooks and courses of study. The board may enter into an agreement with a post-secondary institution for secondary or post-secondary nonsectarian courses to be taught at a secondary school, nonsectarian post-secondary institution, or another location.

Sec. 7. Minnesota Statutes 2000, section 123B.143, subdivision 1, is amended to read:

Subdivision 1. [CONTRACT; DUTIES.] All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a

subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

~~(1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;~~

~~(2) recommend to the board employment and dismissal of teachers;~~

~~(3) superintend school grading practices and examinations for promotions;~~

~~(4) make reports required by the commissioner;~~

~~(5)~~ (2) by January 10, submit an annual report to the commissioner in a manner prescribed by the commissioner, in consultation with school districts, identifying the expenditures that the district requires to ensure an 80 percent and a 90 percent student passage rate on the basic standards test taken in the eighth grade, identifying the amount of expenditures that the district requires to ensure a 99 percent student passage rate on the basic standards test by 12th grade, and how much the district is cross-subsidizing programs with special education, basic skills, and general education revenue; and

~~(6)~~ (3) perform other duties prescribed by the board.

Sec. 8. Minnesota Statutes 2000, section 123B.147, is amended to read:

123B.147 [PRINCIPALS.]

Subdivision 1. [PRINCIPAL MAY SUPERVISE SCHOOL BUILDING.] Each public school building, as defined by section 120A.05, subdivisions 9, 11, and 13, in an independent district may be under the supervision of a principal who is assigned to that responsibility by the board of education in that district upon the recommendation of the superintendent of schools of that district. If pupils in kindergarten through grade 12 attend school in one building, one principal, who holds either an elementary or a secondary principal's license, may supervise the building.

Subd. 2. [VALID PRINCIPAL LICENSE REQUIRED.] Each principal assigned ~~the responsibility~~ responsible for the supervision of supervising a school building shall hold a valid license in the assigned position of supervision and administration as established by the rules of the commissioner of children, families, and learning.

Subd. 3. [PRINCIPALS' DUTIES.] The principal shall ~~provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the district and in accordance with the policies, rules, and regulations of the board of education, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned~~ perform administrative, supervisory, and instructional duties as determined by the school district.

Sec. 9. Minnesota Statutes 2000, section 123B.36, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL BOARDS MAY REQUIRE FEES.] (a) For purposes of this subdivision, "home school" means a home school as defined in sections 120A.22 and 120A.24 with five or fewer students receiving instruction.

(b) A school board is authorized to require payment of fees in the following areas:

(1) in any program where the resultant product, in excess of minimum requirements and at the pupil's option, becomes the personal property of the pupil;

(2) admission fees or charges for extra curricular activities, where attendance is optional and where the admission fees or charges a student must pay to attend or participate in an extracurricular activity is the same for all students, regardless of whether the student is enrolled in a public or a home school;

(3) a security deposit for the return of materials, supplies, or equipment;

(4) personal physical education and athletic equipment and apparel, although any pupil may personally provide it if it meets reasonable requirements and standards relating to health and safety established by the board;

(5) items of personal use or products that a student has an option to purchase such as student publications, class rings, annuals, and graduation announcements;

(6) fees specifically permitted by any other statute, including but not limited to section 171.05, subdivision 2; provided (i) driver education fees do not exceed the actual cost to the school and school district of providing driver education, and (ii) the driver education courses are open to enrollment to persons between the ages of 15 and 18 who reside or attend school in the school district;

(7) field trips considered supplementary to a district educational program;

(8) any authorized voluntary student health and accident benefit plan;

(9) for the use of musical instruments owned or rented by the district, a reasonable rental fee not to exceed either the rental cost to the district or the annual depreciation plus the actual annual maintenance cost for each instrument;

(10) transportation of pupils to and from extra curricular activities conducted at locations other than school, where attendance is optional;

(11) transportation of pupils to and from school for which aid for fiscal year 1996 is not authorized under Minnesota Statutes 1994, section 124.223, subdivision 1, and for which levy for fiscal year 1996 is not authorized under Minnesota Statutes 1994, section 124.226, subdivision 5, if a district charging fees for transportation of pupils establishes guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay;

(12) motorcycle classroom education courses conducted outside of regular school hours; provided the charge must not exceed the actual cost of these courses to the school district;

(13) transportation to and from post-secondary institutions for pupils enrolled under the post-secondary enrollment options program under section 123B.88, subdivision 22. Fees collected for this service must be reasonable and must be used to reduce the cost of operating the route. Families who qualify for mileage reimbursement under section 124D.09, subdivision 22, may use their state mileage reimbursement to pay this fee. If no fee is charged, districts must allocate costs based on the number of pupils riding the route; and

(14) admission fees or charges to a part-time student over age 21 attending a secondary school class or program other than a student participating in the graduation incentives program under section 124D.68 or a student receiving instruction under section 125A.03.

Sec. 10. Minnesota Statutes 2000, section 123B.43, is amended to read:

123B.43 [USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.]

(a) The commissioner shall assure that textbooks and individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.

(b) Textbooks and individualized instructional materials must not be used in religious courses, devotional exercises, religious training or any other religious activity.

(c) Textbooks and individualized instructional materials must be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the commissioner. The request forms shall provide for verification by the parent or guardian or pupil that the requested textbooks and individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.

~~(d) The servicing school district or the intermediary service area must take adequate measures to ensure an accurate and periodic inventory of all textbooks and individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The commissioner of children, families, and learning shall promulgate rules under the provisions of chapter 14 to terminate the eligibility of any nonpublic school pupil if the commissioner determines, after notice and opportunity for hearing, that the textbooks or individualized instructional materials have been used in a manner contrary to the provisions of section 123B.41, subdivision 5, 123B.42, or this section or any rules promulgated by the commissioner of children, families, and learning.~~

~~(e) Nothing contained in section 123B.41, subdivision 5, 123B.42, or this section shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.~~

Sec. 11. Minnesota Statutes 2000, section 123B.445, is amended to read:

123B.445 [NONPUBLIC EDUCATION COUNCIL.]

(a) The commissioner shall appoint a 15-member council on nonpublic education, with the advice and consent of the senate. The 15 members shall represent various areas of the state, represent various methods of providing nonpublic education, and shall be knowledgeable about nonpublic education. The compensation, removal of members, filling of vacancies, and terms are governed by section 15.0575. The council shall not expire. The council shall advise the commissioner on issues affecting nonpublic education and nonpublic schools. The council may recognize educational accrediting agencies, for the sole purpose of sections 120A.22, 120A.24, and 120A.26.

(b) A parent or guardian of a nonpublic school pupil or a nonpublic school may file a complaint about services provided under sections 123B.40 to 123B.42, and 123B.44 to 123B.48 with the nonpublic education council. The council may review the complaint and make a recommendation for resolution to the commissioner.

Sec. 12. Minnesota Statutes 2000, section 123B.49, subdivision 1, is amended to read:

~~Subdivision 1. [ACTIVITIES OUTSIDE DISTRICT LIMITS.] Whenever it appears to be beneficial and for the best interest of the district and the pupils of the district to carry on any school sport activities or educational activities connected with their studies outside of the territorial limits of the district, The board may authorize such activities to be conducted outside of the territorial limits of the district under such rules and regulations as the board deems sufficient. The district may pay all necessary costs therefor including transportation from the district funds available.~~

Sec. 13. Minnesota Statutes 2000, section 123B.51, subdivision 1, is amended to read:

Subdivision 1. [SITES.] According to section 126C.40, subdivision 1, or 465.71, when funds

are available, the board may locate and acquire necessary sites of ~~schoolhouses~~ schools or enlargements, or additions to existing ~~schoolhouse~~ schools by lease, purchase or condemnation under the right of eminent domain; it may erect ~~schoolhouses~~ schools on the sites; it may erect or purchase garages for district-owned school buses. When property is taken by eminent domain by authority of this subdivision when needed by the district for such purposes, the fact that the property has been acquired by the owner under the power of eminent domain or is already devoted to public use, shall not prevent its acquisition by the district. The board may sell or exchange ~~schoolhouses~~ schools or sites, and execute deeds of conveyance thereof.

Sec. 14. Minnesota Statutes 2000, section 123B.51, subdivision 5, is amended to read:

Subd. 5. [~~SCHOOLHOUSE~~ SCHOOL CLOSING.] The board may close a ~~schoolhouse~~ school only after a public hearing on the question of the necessity and practicability of the proposed closing. Published notice of the hearing shall be given for two weeks in the official newspaper of the district. The time and place of the meeting, the description and location of the ~~schoolhouse~~ school, and a statement of the reasons for the closing must be specified in the notice. Parties requesting to give testimony for and against the proposal shall be heard by the board before it makes a final decision to close or not to close the ~~schoolhouse~~ school.

Sec. 15. Minnesota Statutes 2000, section 123B.73, subdivision 1, is amended to read:

Subdivision 1. [~~INSPECTION.~~] The commissioner and the state fire marshal shall develop a plan to inspect once every three years every public school facility used for educational purposes shall contract with the fire marshal to conduct fire safety inspections of all school buildings. Each school facility shall be inspected once every three years or more frequently at the request of the school district or the commissioner. Inspections must begin during the 1990-1991 school year. The plan must provide for continued inspection by local units of government of public school facilities that have been inspected by a local unit of government between January 1, 1987, and January 1, 1990, and may provide for inspections by local units of government in other situations. Each inspection report must be filed with the commissioner, the local school board, and the state fire marshal. Notwithstanding section 299F.011, subdivisions 5a and 5b, a variance from the code must be approved by the state fire marshal before taking effect. The commissioner may request that the state fire marshal inspect a particular school facility.

Sec. 16. Minnesota Statutes 2000, section 123B.83, subdivision 1, is amended to read:

Subdivision 1. [~~REDUCE STATUTORY OPERATING DEBT.~~] (a) ~~Beginning in fiscal year 1978 and in each year thereafter,~~ A district which had statutory operating debt on June 30, 1977 pursuant to section 126C.42 must limit its expenditures in each fiscal year so that the amount of its statutory operating debt calculated at the end of that fiscal year is not greater than the amount of the district's statutory operating debt as of June 30, 1977, as certified and adjusted by the commissioner, increased by an amount equal to 2-1/2 percent of that district's operating expenditures for the fiscal year for which the statutory operating debt calculation is being made.

(b) When a district is no longer required to levy pursuant to section 126C.42, subdivision 1, subdivision 2 is applicable.

Sec. 17. Minnesota Statutes 2000, section 123B.90, subdivision 2, is amended to read:

Subd. 2. [~~STUDENT TRAINING.~~] (a) Each district must provide public school pupils enrolled in grades kindergarten through 10 with age-appropriate school bus safety training. The training must be results-oriented and shall consist of both classroom instruction and practical training using a school bus. Upon completing the training, a student shall be able to demonstrate knowledge and understanding of at least the following competencies and concepts:

- (1) transportation by school bus is a privilege and not a right;
- (2) district policies for student conduct and school bus safety;
- (3) appropriate conduct while on the school bus;

- (4) the danger zones surrounding a school bus;
- (5) procedures for safely boarding and leaving a school bus;
- (6) procedures for safe street or road crossing;
- (7) school bus evacuation and other emergency procedures; and
- (8) appropriate training on the use of lap belts or lap and shoulder belts, if the district uses buses equipped with lap belts or lap and shoulder belts.

(b) Each nonpublic school located within the district must provide all nonpublic school pupils enrolled in grades kindergarten through 10 who are transported by school bus at public expense and attend school within the district's boundaries with training as required in paragraph (a). The school district shall make a bus available for the practical training if the district transports the nonpublic students. Each nonpublic school shall provide the instruction.

~~(c) All students enrolled in grades kindergarten through 3 who are transported by school bus and are enrolled during the first or second week of school must demonstrate achievement of the school bus safety training competencies by the end of the third week of school. All students enrolled in grades 4 through 10 who are transported by school bus and are enrolled during the first or second week of school must demonstrate achievement of the competencies by the end of the sixth week of school. Students enrolled in grades kindergarten through 10 who enroll in a school after the second week of school and are transported by school bus shall undergo school bus safety training and demonstrate achievement of the school bus safety competencies within four weeks of the first day of attendance. The school transportation safety director in each district must certify to the commissioner annually that all students transported by school bus within the district have satisfactorily demonstrated knowledge and understanding of the school bus safety competencies according to this section or provide an explanation for a student's failure to demonstrate the competencies. The principal or other chief administrator of each nonpublic school must certify annually to the school transportation safety director of the district in which the school is located that all of the school's students transported by school bus at public expense have received training. A district may deny transportation to a student who fails to demonstrate the competencies, unless the student is unable to achieve the competencies due to a disability, or to a student who attends a nonpublic school that fails to provide training as required by this subdivision.~~

~~(d) A district and a nonpublic school with students transported by school bus at public expense must, to the extent possible, provide kindergarten pupils with bus safety training before the first day of school.~~

~~(e) A district and a nonpublic school with students transported by school bus at public expense must also provide student safety education for bicycling and pedestrian safety, for students enrolled in grades kindergarten through 5.~~

~~(f) (d) A district and a nonpublic school with students transported by school bus at public expense must make reasonable accommodations for the school bus, bicycle, and pedestrian safety training of pupils known to speak English as a second language and pupils with disabilities.~~

Sec. 18. Minnesota Statutes 2000, section 123B.91, subdivision 1, is amended to read:

Subdivision 1. [COMPREHENSIVE POLICY.] (a) Each district shall develop and implement a comprehensive, written policy governing pupil transportation safety, including transportation of nonpublic school students, when applicable. The policy, at minimum, must contain:

- (1) provisions for appropriate student bus safety training under section 123B.90;
- (2) rules governing student conduct on school buses and in school bus loading and unloading areas;
- (3) a statement of parent or guardian responsibilities relating to school bus safety;

- (4) provisions for notifying students and parents or guardians of their responsibilities and the rules, including the district's seat belt policy, if applicable;
 - (5) an intradistrict system for reporting school bus accidents or misconduct and a system for dealing with local law enforcement officials in cases of criminal conduct on a school bus;
 - (6) a discipline policy to address violations of school bus safety rules, including procedures for revoking a student's bus riding privileges in cases of serious or repeated misconduct;
 - (7) a system for integrating school bus misconduct records with other discipline records;
 - (8) a statement of bus driver duties;
 - (9) where applicable, provisions governing bus monitor qualifications, training, and duties;
 - (10) rules governing the use and maintenance of type III vehicles, drivers of type III vehicles, qualifications to drive a type III vehicle, qualifications for a type III vehicle, and the circumstances under which a student may be transported in a type III vehicle;
 - (11) operating rules and procedures;
 - (12) provisions for annual bus driver in-service training and evaluation;
 - (13) emergency procedures;
 - (14) a system for maintaining and inspecting equipment;
 - (15) requirements of the school district, if any, that exceed state law minimum requirements for school bus operations; and
 - (16) requirements for basic first aid training, which must include the Heimlich maneuver and procedures for dealing with obstructed airways, shock, bleeding, and seizures.
- (b) ~~Districts are encouraged to use the model policy developed by the Minnesota school boards association, the department of public safety, and the department of children, families, and learning, as well as the current edition of the "National Standards for School Transportation," in developing safety policies. Each district shall review its policy annually to ensure that it conforms to law.~~

Sec. 19. [REPEALER.]

Minnesota Statutes 2000, sections 123B.02, subdivisions 5, 6, 9, 10, 11, 13, and 16; 123B.04, subdivision 4; 123B.11; 123B.15; 123B.16; 123B.17; 123B.18; 123B.19; 123B.40; 123B.51, subdivisions 2, 3, and 4; 123B.744; 123B.84; 123B.87; 123B.88, subdivisions 11, 12, 13, 18, 20, 21, and 22; 123B.93; and 123B.95, subdivision 3, are repealed.

ARTICLE 14

EDUCATION PROGRAMS

Section 1. Minnesota Statutes 2000, section 124D.02, subdivision 1, is amended to read:

Subdivision 1. [~~KINDERGARTEN INSTRUCTION.~~] ~~The board may establish and maintain one or more kindergartens for the instruction of children and after July 1, 1974, shall provide~~ must make kindergarten instruction available for all eligible children, either in the district or in another district. ~~All children to be eligible~~ Eligibility for kindergarten must be at least five years of age on September 1 of the calendar year in which the school year commences. ~~In addition all children selected under an early admissions policy established by the school board may be admitted. Nothing in this section shall prohibit a school district from establishing head start, prekindergarten, or nursery school classes for children below kindergarten age determined according to section 120A.20, subdivision 1.~~ Any school board with evidence that providing kindergarten will cause an extraordinary hardship on the school district may apply to the commissioner of children, families, and learning for an exception.

Sec. 2. Minnesota Statutes 2000, section 124D.03, subdivision 3, is amended to read:

Subd. 3. [PUPIL APPLICATION PROCEDURES.] In order that a pupil may attend a school or program in a nonresident district, the pupil's parent or guardian must submit an application to the nonresident district. ~~Before submitting an application, the pupil and the pupil's parent or guardian must explore with a school guidance counselor, or other appropriate staff member employed by the district the pupil is currently attending, the pupil's academic or other reason for applying to enroll in a nonresident district. The pupil's application must identify the reason for enrolling in the nonresident district. The parent or guardian of a pupil must submit an application by January 15 for initial enrollment beginning the following school year. The application must be on a form provided by the department of children, families, and learning. A particular school or program may be requested by the parent. Once enrolled in a nonresident district, the pupil may remain enrolled and is not required to submit annual or periodic applications. To return to the resident district or to transfer to a different nonresident district, the parent or guardian of the pupil must provide notice to the resident district or apply to a different nonresident district by January 15 for enrollment beginning the following school year. Each district must accept or reject an application it receives and notify the parent or guardian in writing within 30 calendar days of receiving the application. A notification of acceptance must include the date enrollment can begin. Within ten days of receiving the notification from the nonresident district, the parent or guardian must inform the nonresident district whether the pupil intends to enroll in the nonresident district.~~

Sec. 3. Minnesota Statutes 2000, section 124D.09, subdivision 5, is amended to read:

Subd. 5. [AUTHORIZATION; NOTIFICATION.] ~~Notwithstanding any other law to the contrary,~~ An 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution must notify the pupil about payment in the customary manner used by the institution.

Sec. 4. Minnesota Statutes 2000, section 124D.09, subdivision 6, is amended to read:

Subd. 6. [COUNSELING PARENTAL CONSENT.] ~~To the extent possible, the school or school district must provide counseling services to pupils and their parents or guardian before the pupils enroll in courses under this section to ensure that the pupils and their parents or guardian are fully aware of the risks and possible consequences of enrolling in post-secondary courses. The school or school district must provide information on the program including who may enroll, what institutions and courses are eligible for participation, the decision-making process for granting academic credits, financial arrangements for tuition, books and materials, eligibility criteria for transportation aid, available support services, the need to arrange an appropriate schedule, consequences of failing or not completing a course in which the pupil enrolls, the effect of enrolling in this program on the pupil's ability to complete the required high school graduation requirements, and the academic and social responsibilities that must be assumed by the pupils and their parents or guardian. The person providing counseling shall encourage pupils and their parents or guardian to also use available counseling services at the post-secondary institutions before the quarter or semester of enrollment to ensure that anticipated plans are appropriate.~~

Prior to enrolling in a course, the pupil and the pupil's parents or guardian must sign a form that must be provided by the school or school district and may be obtained from a post-secondary institution stating that they have received the information specified in this subdivision and that they understand the responsibilities that must be assumed in enrolling in this program. The department must, upon request, provide technical assistance to a school or school district in developing appropriate forms and counseling guidelines.

Sec. 5. Minnesota Statutes 2000, section 124D.09, subdivision 7, is amended to read:

Subd. 7. [DISSEMINATION OF INFORMATION; NOTIFICATION OF INTENT TO ENROLL.] ~~By March 1 of each year, A district must adopt policies for deadlines and provide general information about the program to all pupils in grades 10 and 11. To assist the district in planning, a pupil shall inform the district by March 30 of each year of the pupil's intent to enroll in post-secondary courses during the following school year. A pupil is not bound by notifying or not notifying the district by March 30.~~

Sec. 6. Minnesota Statutes 2000, section 124D.09, subdivision 12, is amended to read:

Subd. 12. [CREDITS.] A pupil may enroll in a course under this section for either secondary credit or post-secondary credit. At the time a pupil enrolls in a course, the pupil shall designate whether the course is for secondary or post-secondary credit. A pupil taking several courses may designate some for secondary credit and some for post-secondary credit. A pupil must not audit a course under this section.

A district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. ~~Seven quarter or four semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A district must also grant academic credit to a pupil enrolled in a course for post-secondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district must, as soon as possible, notify the commissioner, who shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the board's decision to the commissioner. The commissioner's decision regarding the number of credits shall be final.~~

The secondary credits granted to a pupil must be counted toward the graduation requirements and subject area requirements of the district. ~~Evidence of successful completion of each course and secondary credits granted must be included in the pupil's secondary school record. A pupil shall provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record must also include evidence of successful completion and credits granted for a course taken for post-secondary credit. In either case, the record must indicate that the credits were earned at a post-secondary institution.~~

~~If a pupil enrolls in a post-secondary institution after leaving secondary school, the post-secondary institution must award post-secondary credit for any course successfully completed for secondary credit at that institution. Other post-secondary institutions may award, after a pupil leaves secondary school, post-secondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.~~

Sec. 7. Minnesota Statutes 2000, section 124D.10, subdivision 1, is amended to read:

Subdivision 1. [PURPOSES EXPECTED OUTCOMES.] (a) ~~The purpose of this section is expected outcomes of a charter school are to:~~

- (1) improve pupil learning;
- (2) increase learning opportunities for pupils;
- (3) encourage the use of different and innovative teaching methods;
- (4) require the measurement of learning outcomes and create different and innovative forms of measuring outcomes;
- (5) establish new forms of accountability for schools; or
- (6) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

(b) This section does not provide a means to keep open a school that otherwise would be closed. Applicants in these circumstances bear the burden of proving that conversion to a charter school fulfills a purpose specified in this subdivision, independent of the school's closing.

Sec. 8. Minnesota Statutes 2000, section 124D.10, subdivision 6, is amended to read:

Subd. 6. [CONTRACT.] The sponsor's authorization for a charter school must be in the form of a written contract signed by the sponsor and the board of directors of the charter school. The contract must be completed within 90 days of the commissioner's approval of the sponsor's proposed authorization. The contract for a charter school must be in writing and contain at least the following:

- (1) a description of a program that carries out one or more of the ~~purposes~~ expected outcomes in subdivision 1;
- (2) specific outcomes pupils are to achieve under subdivision 10;
- (3) admission policies and procedures;
- (4) management and administration of the school;
- (5) requirements and procedures for program and financial audits;
- (6) how the school will comply with subdivisions 8, 13, 16, and 23;
- (7) assumption of liability by the charter school;
- (8) types and amounts of insurance coverage to be obtained by the charter school;
- (9) the term of the contract, which may be up to three years; and
- (10) if the board of directors or the operators of the charter school provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability.

Sec. 9. Minnesota Statutes 2000, section 124D.10, subdivision 15, is amended to read:

Subd. 15. [REVIEW AND COMMENT.] The department must review and comment on the evaluation, by the sponsor, of the performance of a charter school before the charter school's contract is renewed. A sponsor shall monitor and evaluate the fiscal and student performance of the school, and may for this purpose annually assess the school up to \$10 per student up to a maximum of \$3,500. The information for the review and comment shall be reported by the sponsor to the commissioner of children, families, and learning in a timely manner. ~~Periodically, the commissioner shall report trends or suggestions based on the evaluation of charter school contracts to the education committees of the state legislature.~~

Sec. 10. Minnesota Statutes 2000, section 124D.10, subdivision 19, is amended to read:

Subd. 19. [~~DISSEMINATE AVAILABLE INFORMATION.~~] ~~The sponsor, the operators, and the department of children, families, and learning must disseminate~~ make information available to the public on how to form and operate a charter school and how to utilize the offerings of a charter school. Particular groups to be targeted include low-income families and communities, and students of color.

Sec. 11. Minnesota Statutes 2000, section 124D.115, subdivision 3, is amended to read:

Subd. 3. [PROGRAM REIMBURSEMENT.] ~~(a) State funds are provided to reimburse school breakfasts.~~ Each school year, the state must reimburse schools in the amount of 5.1 cents for each fully paid breakfast and for each free and reduced price breakfast not eligible for the "severe need" rate.

(b) In addition to paragraph (a), each school year the state must reimburse schools 10.5 cents for each free and reduced price breakfast not eligible for the "severe need" rate if between 33 and 40 percent of the school lunches served during the second preceding school year were served free or at a reduced price.

Sec. 12. Minnesota Statutes 2000, section 124D.118, subdivision 2, is amended to read:

Subd. 2. [~~ESTABLISHMENT; SCHOOL PARTICIPATION.~~] ~~Each district in the state is encouraged to participate in the state-supported school milk program for kindergartners. Participating districts must provide one serving of milk on each school day to each kindergarten student attending a public or nonpublic school in the district. No student is required to accept the milk that is provided by the district. The program must be promoted and operated under the direction of the commissioner or the commissioner's designee.~~

Sec. 13. Minnesota Statutes 2000, section 124D.118, subdivision 3, is amended to read:

Subd. 3. [PROGRAM GUIDELINES; DUTIES OF THE COMMISSIONER.] (a) The commissioner shall:

~~(1) encourage all districts to participate in the school milk program for kindergartners;~~
~~(2) prepare maintain program guidelines, not subject to chapter 14 until July 1, 1998, which will effectively and efficiently distribute appropriated and donated money to participating districts; and~~

~~(3) seek donations and matching funds from appropriate private and public sources.~~

(b) Program guidelines may provide for disbursement to districts through a mechanism of prepayments or by reimbursement for approved program expenses.

Sec. 14. Minnesota Statutes 2000, section 124D.28, subdivision 1, is amended to read:

Subdivision 1. [~~MANDATORY COMPONENTS~~ EXPECTATIONS.] The expected outcomes of a family connections program must include:

~~(1) participation by a designated designation of an individual as a career teacher, principal-teacher, or counselor teacher;~~

~~(2) an increased emphasis on each individual child's unique learning and development needs beginning with early childhood family education;~~

~~(3) procedures to give the career teacher a major responsibility for leadership of the instructional and noninstructional activities of each child beginning with early childhood family education;~~

~~(4) procedures to involve increased involvement of parents in the learning and development experiences of their children; and~~

~~(5) procedures to implement outcome-based education by focusing on the needs of the learner;~~

~~(6) procedures to coordinate and integrate (4) increased involvement of the instructional program with all community education programs;~~

~~(7) procedures to concentrate career teacher programs at sites that provide early childhood family education and subsequent learning and development programs; and~~

~~(8) procedures for the district to fund the program.~~

Sec. 15. Minnesota Statutes 2000, section 124D.30, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER APPROVAL.] The commissioner ~~may~~ shall approve plans and applications for districts throughout the state for family connections aid. The commissioner shall establish application procedures and deadlines.

Sec. 16. Minnesota Statutes 2000, section 124D.35, is amended to read:

124D.35 [YOUTH ENTREPRENEURSHIP EDUCATION PROGRAM.]

~~The commissioner shall establish A youth entrepreneurship education program to improve the academic and entrepreneurial skills of students and aid in their transition from school to business creation. The program shall strengthen local economies by creating jobs that enable citizens to remain in their communities and to foster cooperation among educators, economic development professionals, business leaders, and representatives of labor. Assistance under this section shall be available to new or existing student-operated or school-operated businesses that have an educational purpose, and provide service or products for customers or clients who do not attend or work at the sponsoring school. The commissioner may require an equal local match for assistance under this section up to the maximum grant amount of \$20,000.~~

Sec. 17. Minnesota Statutes 2000, section 124D.37, is amended to read:

124D.37 [PURPOSE EXPECTED OUTCOMES OF THE MINNESOTA YOUTH WORKS ACT.]

The ~~purposes~~ expected outcomes of sections 124D.37 to 124D.45 are to:

- (1) ~~renew the ethic of~~ promote civic responsibility in Minnesota;
- (2) ~~empower youth to improve their life opportunities through~~ youth literacy, job placement, and other essential life skills;
- (3) ~~empower government to meet its~~ improve government's responsibility to prepare young people to be contributing members of society;
- (4) help meet human civic, educational, environmental, and public safety needs, particularly those needs relating to poverty;
- (5) ~~prepare a citizenry that is academically competent, ready for work, and socially responsible;~~
- (6) ~~demonstrate the connection between youth and meaningful community service, community service and education, and education and meaningful opportunities in the business community;~~
- (7) ~~demonstrate the connection between providing opportunities for at-risk youth and reducing crime rates and the social costs of troubled youth~~ activities;
- (8) (6) create linkages for a comprehensive youth service and learning program in Minnesota including school-age programs, higher education programs, youth work programs, and service corps programs; and
- (9) (7) coordinate federal and state activities that advance the purposes in this section.

Sec. 18. Minnesota Statutes 2000, section 124D.40, subdivision 2, is amended to read:

Subd. 2. [GRANT AUTHORITY.] The commission must use any state appropriation and any available federal funds, including any grant received under federal law, to award grants to establish programs for youth works meeting the requirements of section 124D.41. At least one grant each must be available for a metropolitan proposal, a rural proposal, and a statewide proposal. If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area. ~~In awarding grants, the commission may select at least one residential proposal and one nonresidential proposal, provided the proposals meet or exceed the criteria in section 124D.41.~~

Sec. 19. Minnesota Statutes 2000, section 124D.41, is amended to read:

124D.41 [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATIONS REQUIRED.] An organization seeking federal or state grant

money under sections 124D.39 to 124D.44 shall prepare and submit to the commission an application that meets the requirements of this section developed by the commission. The commission must develop, and the applying organizations must comply with, the form and manner of the application requirements that meet the expected outcomes in section 124D.37.

Subd. 2. [APPLICATION CONTENT.] An applicant on its application must: describe how it intends to meet the expected outcomes in section 124D.37.

~~(1) propose a program to provide participants the opportunity to perform community service to meet specific unmet community needs, and participate in classroom, work-based, and service-learning;~~

~~(2) assess the community's unmet educational, human, environmental, and public safety needs, the resources and programs available for meeting those needs, and how young people participated in assessing community needs;~~

~~(3) describe the educational component of the program, including classroom hours per week, classroom time for participants to reflect on the program experience, and anticipated academic outcomes related to the service experience;~~

~~(4) describe the work to be performed, the ratio of youth participants to crew leaders and mentors, and the expectations and qualifications for crew leaders and mentors;~~

~~(5) describe local funds or resources available to meet the match requirements of section 124D.44;~~

~~(6) describe any funds available for the program from sources other than the requested grant;~~

~~(7) describe any agreements with local businesses to provide participants with work-learning opportunities and mentors;~~

~~(8) describe any agreement with local post-secondary educational institutions to offer participants course credits for their community service-learning experience;~~

~~(9) describe any agreement with a local high school or an alternative learning center to provide remedial education, credit for community service work and work-based learning, or graduate equivalency degrees;~~

~~(10) describe any pay for service or other program delivery mechanism that will provide reimbursement for benefits conferred or recover costs of services participants perform;~~

~~(11) describe how local resources will be used to provide support and assistance for participants to encourage them to continue with the program, fulfill the terms of the contract, and remain eligible for any postservice benefit;~~

~~(12) describe the arbitration mechanism for dispute resolution required under section 124D.42, subdivision 2;~~

~~(13) describe involvement of community leaders in developing broad-based support for the program;~~

~~(14) describe the consultation and sign-off process to be used with any local labor organization representing employees in the area engaged in work similar to that proposed for the program to ensure that no current employees or available employment positions will be displaced by program participants;~~

~~(15) certify to the commission and to any certified bargaining representatives representing employees of the applying organization that the project will not decrease employment opportunities that would be available without the project; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work;~~

~~(16) describe the length of the required service period, which may not be less than six months or more than two years, a method to incorporate a participant's readiness to advance or need for postservice financial assistance into individual service requirements, and any opportunity for participating part time or in another program;~~

~~(17) describe a program evaluation plan that contains cost-effectiveness measures, measures of participant success including educational accomplishments, job placements, community contributions, and ongoing volunteer activities, outcome measures based on a preprogram and postprogram survey of community rates of arrest, incarceration, teenage pregnancy, and other indicators of youth in trouble, and a list of local resources dedicated to reducing these rates;~~

~~(18) describe a three-year financial plan for maintaining the program;~~

~~(19) describe the role of local youth in developing all aspects of the grant proposal; and~~

~~(20) describe the process by which the local private industry council participated in, and reviewed the grant application.~~

Sec. 20. Minnesota Statutes 2000, section 124D.42, subdivision 7, is amended to read:

Subd. 7. [TRAINING AND EDUCATION REQUIREMENTS.] Each grantee organization must assess and work to enhance the educational level of each entering participant. ~~Each grantee shall work to enhance the educational skills of each participant. The commission may coordinate or contract with educational institutions or other providers for educational services and evaluation. All grantees shall give priority to educating and training participants who do not have a high school diploma or its equivalent, or who cannot afford post-secondary training and education.~~

Sec. 21. Minnesota Statutes 2000, section 124D.46, subdivision 1, is amended to read:

Subdivision 1. [GOALS ESTABLISHMENT.] ~~To better prepare all learners to make transitions between education and employment,~~ A comprehensive education and employment transitions system is established that is driven by multisector partnerships and takes a lifelong approach to workforce development. The goals of the statewide education and employment transitions system are shall develop and implement methods:

(1) to improve the skills learners need to achieve greater levels of self-sufficiency through education, training, and work;

(2) to improve work-related counseling and information about career opportunities and vocational education programs available to learners to facilitate workforce development;

(3) to integrate opportunities for work-based learning, service-learning, and other applied learning methods into the elementary, secondary, and post-secondary curriculum and state and local graduation standards;

~~(4) to increase participation in employment opportunities and demonstrate the relationship between education and employment at the elementary, secondary, and post-secondary education levels;~~

~~(5) to promote the efficient use of public and private resources by coordinating elementary, secondary, and post-secondary education with related government programs;~~

~~(6) (5) to expand educational options available to all learners through collaborative efforts between school districts, post-secondary institutions, employers, organized labor, workers, learners, parents, community-based organizations, and other interested parties;~~

~~(7) (6) to increase opportunities for women, minorities, individuals with a disability, and at-risk learners to fully participate in work-based learning; and~~

~~(8) to establish performance standards for learners that integrate state and local graduation standards and generally recognized industry and occupational skill standards; and~~

(9) (7) to provide support systems including a unified labor market information system; a centralized quality assurance system with information on learner achievement, employer satisfaction, and measurable system outcomes; a statewide marketing system to promote the importance of lifework development; a comprehensive professional development system for public and private sector partners; and a comprehensive system for providing technical support to local partnerships for education and employment transitions.

Sec. 22. Minnesota Statutes 2000, section 124D.47, subdivision 2, is amended to read:

Subd. 2. [YOUTH APPRENTICESHIP PROGRAMS.] (a) A comprehensive youth apprenticeship program must require representatives of secondary and post-secondary school systems, affected local businesses, industries, occupations and labor, as well as the local community, to be actively and collaboratively involved in advising and managing the program and ensuring, in consultation with local private industry councils, that the youth apprenticeship program meets local labor market demands, provides student apprentices with the high skill training necessary for career advancement, meets applicable state graduation requirements and labor standards, pays apprentices for their work and provides support services to program participants.

(b) Local employers, collaborating with labor organizations where appropriate, must assist the program by analyzing workplace needs, creating work-related curriculum, employing and adequately paying youth apprentices engaged in work-related learning in the workplace, training youth apprentices to become skilled in an occupation, providing student apprentices with a workplace mentor, periodically informing the school of an apprentice's progress, and making a reasonable effort to employ youth apprentices who successfully complete the program.

(c) A student participating in a comprehensive youth apprenticeship program must sign a youth apprenticeship agreement with participating entities that obligates youth apprentices, their parents or guardians, employers, and schools to meet program requirements; ~~indicates how academic instruction, work-based learning, and worksite learning and experience will be integrated; ensures that successful youth apprentices will receive a recognized credential of academic and occupational proficiency; and establishes the wage rate and other benefits for which youth apprentices are eligible while employed during the program.~~

(d) ~~Secondary school principals, counselors, or business mentors familiar with the education to employment transitions system must inform entering secondary school students about available occupational and career opportunities and the option of entering a youth apprenticeship or other work-based learning program to obtain post-secondary academic and occupational credentials.~~

Sec. 23. Minnesota Statutes 2000, section 124D.49, subdivision 3, is amended to read:

Subd. 3. [LOCAL EDUCATION AND EMPLOYMENT TRANSITIONS SYSTEMS.] A local education and employment transitions partnership must assess the needs of employers, employees, and learners, and develop a plan for implementing and achieving the objectives of a local or regional education and employment transitions system. The plan must provide for a comprehensive local system for assisting learners and workers in making the transition from school to work or for retraining in a new vocational area. The objectives expected outcomes of a local education and employment transitions system include:

(1) ~~increasing the effectiveness of the educational programs and curriculum of elementary, secondary, and post-secondary schools which meet state and local graduation standards and the work-site in preparing~~ prepare students in the skills and knowledge needed to be successful in the workplace;

(2) implementing learner outcomes for students in grades kindergarten through 12 designed to introduce the world of work and to explore career opportunities, including nontraditional career opportunities;

(3) ~~eliminating barriers to providing effective integrated applied learning, service-learning, or work-based curriculum;~~

~~(4) increasing opportunities to apply academic knowledge and skills, including skills needed in the workplace, in local settings which include the school, school-based enterprises, post-secondary institutions, the workplace, and the community;~~

~~(5) increasing applied instruction in the attitudes and skills essential for success in the workplace, including cooperative working, leadership, problem-solving, and respect for diversity;~~

~~(6) providing staff training for vocational guidance counselors, teachers, and other appropriate staff in the importance of preparing learners for the transition to work, and in methods of providing instruction that incorporate applied learning, work-based learning, and service-learning experiences;~~

~~(7) (4) identifying and enlisting local and regional employers who can effectively provide work-based or service-learning opportunities, including, but not limited to, apprenticeships, internships, and mentorships;~~

~~(8) (5) recruiting community and workplace mentors including peers, parents, employers and employed individuals from the community, and employers of high school students;~~

~~(9) (6) identifying current and emerging educational, training, and employment needs of the area or region, especially within industries with potential for job growth;~~

~~(10) (7) improving the coordination and effectiveness of local vocational and job training programs, including vocational education, adult basic education, tech prep, apprenticeship, service-learning, youth entrepreneur, youth training and employment programs administered by the commissioner of economic security, and local job training programs under the Job Training Partnership Act, United States Code, title 29, section 1501, et seq.;~~

~~(11) (8) identifying and applying for federal, state, local, and private sources of funding for vocational or applied learning programs;~~

~~(12) (9) providing students with current information and counseling about career opportunities, potential employment, educational opportunities in post-secondary institutions, workplaces, and the community, and the skills and knowledge necessary to succeed;~~

~~(13) providing educational technology, including interactive television networks and other distance learning methods, to ensure access to a broad variety of work-based learning opportunities;~~

~~(14) (10) including students with disabilities in a district's vocational or applied learning program and ways to serve at-risk learners through collaboration with area learning centers under sections 123A.05 to 123A.09, or other alternative programs; and~~

~~(15) (11) providing a warranty to employers, post-secondary education programs, and other post-secondary training programs, that learners successfully completing a high school work-based or applied learning program will be able to apply the knowledge and work skills included in the program outcomes or graduation requirements. The warranty shall require education and training programs to continue to work with those learners that need additional skill development until they can demonstrate achievement of the program outcomes or graduation requirements.~~

Sec. 24. Minnesota Statutes 2000, section 124D.50, subdivision 2, is amended to read:

Subd. 2. [SERVICE-LEARNING PROGRAMS DEVELOPED.] The commissioner, in consultation with the commission, shall develop a service-learning program curriculum that includes a policy framework and strategies for youth community service and an infrastructure for mentoring youth. The commissioner shall include in the curriculum at least the following:

(1) youth community service strategies that enable young people to make significant contributions to the welfare of their community through such organizations as schools, colleges, government agencies, and community-based organizations or through individual efforts;

(2) mentoring strategies that enable young people to be matched with caring, responsible individuals who can encourage and guide the young people in their personal growth and development;

(3) guidelines, criteria, and procedures for community service programs that incorporate the results of the study in subdivision 1; and

(4) criteria for community service activities and service-learning.

Sec. 25. Minnesota Statutes 2000, section 124D.50, subdivision 3, is amended to read:

Subd. 3. [STRUCTURING PROGRAMS ACCORDING TO GRADE OR EDUCATION LEVEL.] The service-learning curriculum framework must accommodate students' grade level or the last completed grade level of the participants not currently enrolled in school. Schools must provide at least the following:

(1) for students in grades 7 to 9, an opportunity to learn about service-learning activities and possible occupations;

(2) for students in grade 10, an opportunity to apply for service-learning under section 124D.19 subdivision 10, and youth apprenticeship programs; and

(3) for students in grades 11 and 12 and young people not currently enrolled in school, an opportunity to become involved in community service activities, participate in youth apprenticeship programs, and, depending upon the individual's demonstrated abilities, complete high school or pursue post-secondary coursework.

Sec. 26. Minnesota Statutes 2000, section 124D.65, subdivision 6, is amended to read:

Subd. 6. [PARTICIPATION OF NONPUBLIC SCHOOL PUPILS.] In counting the number of pupils of limited English proficiency for purposes of this section, districts may include pupils of limited English proficiency who attend nonpublic schools in the district. A district which counts those pupils and receives aid pursuant to this section must offer those pupils the same programs on the same terms that it offers to pupils of limited English proficiency who attend the public school. A program provided for a nonpublic school pupil pursuant to this subdivision must be provided at a public school or a neutral site as defined in section 123B.41, subdivision 13, the nonpublic school, or any other suitable location. The school district must make the final decision on the location of these services. Nonpublic school pupils served by a district's educational program for pupils of limited English proficiency must be counted for average daily membership pursuant to sections 126C.01, subdivisions 6 to 8, and 126C.19, subdivisions 1 to 4.

Sec. 27. Minnesota Statutes 2000, section 124D.74, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM DESCRIBED OUTCOMES.] American Indian language and culture education programs are ~~programs in elementary and secondary schools enrolling American Indian children~~ designed:

(1) to make the curriculum more relevant to the needs, interests, and cultural heritage of American Indian pupils;

(2) to provide positive reinforcement of the self-image of American Indian pupils; and

(3) to develop intercultural awareness among pupils, parents, and staff. ~~Program components may include: instruction in American Indian language, literature, history, and culture; development of support components for staff, including in-service training and technical assistance in methods of teaching American Indian pupils; research projects, including experimentation with and evaluation of methods of relating to American Indian pupils; provision of personal and vocational counseling to American Indian pupils; modification of curriculum, instructional methods, and administrative procedures to meet the needs of American Indian pupils; and establishment of cooperative liaisons with nonsectarian nonpublic, community, tribal or alternative schools offering curricula which reflect American Indian culture.~~ Districts offering

programs may make contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. These programs may also be provided as components of early childhood and family education programs.

Sec. 28. Minnesota Statutes 2000, section 124D.88, subdivision 2, is amended to read:

Subd. 2. [APPROVAL AUTHORITY; APPLICATION FORMS.] ~~To the extent money is available,~~ The commissioner may approve projects from applications submitted under this section. The grant money must be used only to design, acquire, construct, expand, remodel, improve, furnish, or equip the building or site of a magnet school facility according to contracts entered into within 24 months after the date on which a grant is awarded.

Sec. 29. Minnesota Statutes 2000, section 124D.892, is amended to read:

124D.892 [OFFICE OF DESEGREGATION/INTEGRATION.]

Subdivision 1. [ESTABLISHMENT.] (a) ~~An office of desegregation/integration is established in~~ The ~~department~~ commissioner of children, families, and learning ~~to~~ must coordinate and support activities related to student enrollment, student and staff recruitment and retention, transportation, and interdistrict cooperation among metropolitan school districts.

(b) At the request of a metropolitan school district involved in cooperative desegregation/integration efforts, the ~~office~~ commissioner shall perform any of the following activities:

(1) assist districts with interdistrict student transfers, including student recruitment, counseling, placement, and transportation;

(2) coordinate and disseminate information about schools and programs;

(3) assist districts with new magnet schools and programs;

(4) assist districts in providing staff development and in-service training; and

(5) coordinate and administer staff exchanges.

(c) The ~~office~~ commissioner shall collect data on the efficacy of districts' desegregation/integration efforts and make recommendations based on the data. The ~~office~~ commissioner shall periodically consult with the metropolitan council to coordinate school desegregation/integration efforts with the housing, social, economic, and infrastructure needs of the metropolitan area. The ~~office~~ commissioner shall develop a process for resolving students' disputes and grievances about student transfers under a desegregation/integration plan.

Subd. 2. [COORDINATION.] The commissioner may request information or assistance from, or contract with, any state or local agency or officer, local unit of government, or recognized expert to assist the commissioner in performing the activities described in subdivision 1.

Subd. 3. [ADVISORY BOARD.] The commissioner shall establish an advisory board composed of:

(1) nine superintendents, eight shall be selected by the superintendents of the school districts located in whole or in part within each of the eight metropolitan districts established under section 473.123, subdivision 3c, and one superintendent of a district outside the seven-county metropolitan area and is from a district that is considered racially isolated or has a racially isolated school site according to Minnesota Rules, part 3535.0110;

(2) one person each selected by the Indian affairs council, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, and the council on affairs of Chicano/Latino people; and

(3) the superintendent of independent school district No. 709, Duluth.

The advisory board shall advise the ~~office~~ commissioner on complying with the requirements under subdivision 1. The advisory board may solicit comments from teachers, parents, students, and interested community organizations and others.

Sec. 30. Minnesota Statutes 2000, section 124D.894, is amended to read:

124D.894 [STATE MULTICULTURAL EDUCATION ADVISORY COMMITTEE.]

(a) The commissioner shall appoint a state multicultural education advisory committee to advise the department and the state board on multicultural education. The committee must have 12 members and be composed of representatives from among the following groups and community organizations: African-American, Asian-Pacific, Hispanic, and American Indian.

(b) The state committee shall provide information and recommendations on:

(1) department procedures for reviewing and approving district plans and disseminating information on multicultural education;

(2) department procedures for improving inclusive education plans, curriculum and instruction improvement plans, and performance-based assessments;

(3) developing learner outcomes which are multicultural; and

(4) other recommendations that will further inclusive, multicultural education.

~~(c) The committee shall also participate in determining the criteria for and awarding the grants established under Laws 1993, chapter 224, article 8, section 22, subdivision 8.~~

Sec. 31. Minnesota Statutes 2000, section 124D.94, subdivision 2, is amended to read:

Subd. 2. [CREATION OF FOUNDATION.] There is created the Minnesota academic excellence foundation. ~~The purpose of the foundation shall be to promote academic excellence in Minnesota public and nonpublic schools and communities through public-private partnerships.~~ The foundation shall be a nonprofit organization. The board of directors of the foundation and foundation activities are under the direction of the commissioner of children, families, and learning.

Sec. 32. Minnesota Statutes 2000, section 124D.94, subdivision 4, is amended to read:

Subd. 4. [FOUNDATION PROGRAMS.] ~~The foundation may shall develop programs that advance the concept of educational excellence in Minnesota public and nonpublic schools and communities through public-private partnerships. These may include, but are not limited to:~~

~~(a) recognition programs and awards for students demonstrating academic excellence;~~

~~(b) summer institute programs for students with special talents;~~

~~(c) recognition programs for teachers, administrators, and others who contribute to academic excellence;~~

~~(d) summer mentorship programs with business and industry for students with special career interests and high academic achievements;~~

~~(e) governor's awards ceremonies and special campaigns to promote awareness and expectation for academic achievement;~~

~~(f) an academic league to provide organized challenges requiring cooperation and competition for public and nonpublic pupils in elementary and secondary schools;~~

~~(g) systemic transformation initiatives and assistance and training to community teams to increase school performance in the state's education institutions through strategic quality planning for continuous improvement, empowerment of multiple stakeholders, validation of results via customer-supplier relationships, and a total system approach based on best practices in key process areas; and~~

~~(h) activities to measure customer satisfaction for delivery of services to education institutions in order to plan for and implement continuous improvement.~~

~~To the extent possible, the foundation shall make these programs available to students in all parts of the state.~~

Sec. 33. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall renumber each section of Minnesota Statutes in column A with the number in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

<u>A</u>	<u>B</u>
<u>124D.35</u>	<u>124D.46, subd. 7</u>
<u>124D.46, subd. 4</u>	<u>268.665, subd. 7</u>
<u>124D.47, subd. 2</u>	<u>124D.46, subd. 8</u>

Sec. 34. [REPEALER.]

(a) Minnesota Statutes 2000, sections 124D.02, subdivisions 2, 3, and 4; 124D.06; 124D.081, subdivision 1; 124D.09, subdivisions 2, 8, 25, and 26; 124D.10, subdivision 13; 124D.115, subdivisions 1 and 2; 124D.118, subdivision 1; 124D.12; 124D.121; 124D.122; 124D.123; 124D.124; 124D.125; 124D.126; 124D.127; 124D.128, subdivisions 1, 3, and 5; 124D.31; 124D.34, subdivision 5; 124D.43; 124D.46, subdivision 3; 124D.47, subdivision 1; 124D.50, subdivisions 1, 2, and 3; 124D.60, subdivision 3; 124D.65, subdivisions 8, 9, and 10; 124D.68, subdivision 1; 124D.72; 124D.81, subdivision 7; 124D.88, subdivision 1; 124D.895; 124D.90, subdivision 5; 124D.91; 124D.92; and 124D.93, are repealed.

(b) Minnesota Statutes 2000, section 124D.128, subdivision 6, is repealed effective July 1, 2001.

ARTICLE 15

EDUCATION AND TECHNOLOGY

Section 1. Minnesota Statutes 2000, section 125B.05, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION SYSTEM.] The department of children, families, and learning shall develop and maintain a ~~computerized~~ an information system for state information needs.

Sec. 2. Minnesota Statutes 2000, section 125B.05, subdivision 2, is amended to read:

Subd. 2. [PURPOSES.] The purposes of the ~~computerized~~ information system shall be:

(a) To provide comparable and accurate educational information in a manner which is timely and economical;

(b) To ensure accountability for state appropriations;

(c) To collect data to assess the needs of learners and children;

(d) To provide school districts with an educational information system capability which will meet school district management needs; and

(e) To provide for ~~computerized~~ analysis of educational information to meet the management needs of the state of Minnesota.

Sec. 3. Minnesota Statutes 2000, section 125B.20, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSE.] ~~The purpose of developing a statewide~~

~~school district telecommunications network is to expand the availability of a broad range of courses and degrees to students throughout the state, to share information resources to improve access, quality, and efficiency, to improve learning, and distance cooperative learning opportunities, and to promote the exchange of ideas among students, parents, teachers, media generalists, librarians, and the public. In addition, through the development of this statewide telecommunications network emphasizing cost-effective, competitive connections, all Minnesotans will benefit by enhancing access to telecommunications technology throughout the state. Network connections for school districts and public libraries are coordinated and fully integrated into the existing state telecommunications and interactive television networks to achieve comprehensive and efficient interconnectivity of school districts and libraries to higher education institutions, state agencies, other governmental units, agencies, and institutions throughout Minnesota. A school district may apply to the commissioner for a grant under subdivision 2, and a regional public library may apply under subdivision 3. The Minnesota education telecommunications council established in Laws 1995, First Special Session chapter 3, article 12, section 7, shall establish priorities for awarding grants, making grant awards, and being responsible for the coordination of networks.~~

Sec. 4. Minnesota Statutes 2000, section 125B.20, subdivision 4, is amended to read:

Subd. 4. [AWARD OF GRANTS.] The council shall develop application forms and procedures for telecommunication access grants. The council shall select the grant recipient ~~and shall promptly notify any applicant that is found not to be qualified.~~ The commissioner shall make the grant payments directly to the school district or regional library system. At the request of the district or regional library system, the commissioner may make the grant payment directly to the coordinating organization.

Sec. 5. [REPEALER.]

Minnesota Statutes 2000, sections 125B.02; 125B.07, subdivisions 1, 3, and 5; 125B.09; and 125B.11, are repealed.

ARTICLE 16

EDUCATION FUNDING

Section 1. Minnesota Statutes 2000, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each Minnesota resident pupil in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or 124D.68; in a charter school under section 124D.10; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision. A district may not count a person who is over the age of 21, except as provided in section 125A.03, or who has graduated from high school and is enrolled as a part-time student in a class or program as a pupil unit.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 times 1.25 with a minimum of 0.28, but not more than 1.25.

(b) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 825 times 1.25.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as .557 of a pupil unit for fiscal year 2000 and thereafter.

(e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal year 2000 and thereafter.

(f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

Sec. 2. Minnesota Statutes 2000, section 126C.17, subdivision 11, is amended to read:

Subd. 11. [REFERENDUM DATE.] In addition to the referenda allowed in subdivision 9, clause (a), the commissioner may authorize a referendum for a different day.

(a) The commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

~~(b) The commissioner may grant authority for a district to hold a referendum on a different day if: (1) the district will conduct a bond election under chapter 475 on that same day; and (2) the proceeds of the referendum will provide only additional operating revenue complementing the purpose for which bonding authority is sought. The commissioner may only grant authority under this paragraph if the district demonstrates to the commissioner's satisfaction that the district's ability to operate the new facility or achieve efficiencies with the purchases connected to the proceeds of the bond sale will be significantly affected if the operating referendum is not conducted until the November general election. Authority under this paragraph expires November 30, 1998.~~

(e) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 3. Minnesota Statutes 2000, section 126C.31, is amended to read:

126C.31 [POLICY.]

~~Financing the education of our children is one of state government's most important functions. In performing this function, the state seeks to provide sufficient funding while encouraging equity, accountability, and incentives toward quality improvement. To help achieve these goals and to help control future spending growth, the state will fund core instruction and related support services that meet their academic needs, the state will fund core instruction and related support services, will facilitate improvement in the quality and delivery of programs and services, and will equalize revenues raised locally for discretionary purposes.~~

Sec. 4. Minnesota Statutes 2000, section 126C.48, subdivision 8, is amended to read:

Subd. 8. [TACONITE PAYMENT AND OTHER REDUCTIONS.] (1) Reductions in levies pursuant to sections 126C.48, subdivision 1, and 273.138, must be made prior to the reductions in clause (2).

~~(2) Notwithstanding any other law to the contrary, Districts which received payments pursuant to sections 298.018; 298.24 to 298.28, except an amount distributed under section 298.28, subdivision 4, paragraph (c), clause (ii); 298.34 to 298.39; 298.391 to 298.396; 298.405; and any law imposing a tax upon severed mineral values, or recognized revenue pursuant to section 477A.15; must not include a portion of these aids in their permissible levies pursuant to those sections, but instead must reduce the permissible levies authorized by this chapter and chapters 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by the greater of the following:~~

~~(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or~~

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times five percent.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to section 126C.13, to an amount less than the amount raised by a levy of a net tax rate of 6.82 percent times the adjusted net tax capacity for taxes payable in 1990 and thereafter of that district for the preceding year as determined by the commissioner. The amount of any increased levy authorized by referendum pursuant to section 126C.17, subdivision 9, shall not be reduced pursuant to this subdivision. The amount of any levy authorized by section 126C.43, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(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) ~~Notwithstanding any law to the contrary,~~ Any amounts received by districts in any fiscal year pursuant to sections 298.018; 298.24 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values; and not deducted from general education aid pursuant to section 126C.21, subdivision 4, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the St. Louis county auditor in the following amount by March 15 of each year, the amount required to be subtracted from the previous fiscal year's general education aid pursuant to section 126C.21, subdivision 4, which is in excess of the general education aid earned for that fiscal year. The county auditor shall deposit any amounts received pursuant to this clause in the St. Louis county treasury for purposes of paying the taconite homestead credit as provided in section 273.135.

ARTICLE 17

STATE ADMINISTRATION OF EDUCATION

Section 1. Minnesota Statutes 2000, section 127A.05, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT AND DUTIES.] The department shall be under the administrative control of the commissioner of children, families, and learning which office is established. The governor shall appoint the commissioner under the provisions of section 15.06.

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the finances pertaining thereto commensurate with the spirit and intent of this code. ~~Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service.~~ The commissioner shall also appoint other employees as may be necessary for the organization of the department. The commissioner shall perform such duties as the law and rules may provide and be held responsible for the efficient administration and discipline of the department. The commissioner is charged with the execution of powers and duties to promote public education in the state and to safeguard the finances pertaining thereto.

Sec. 2. Minnesota Statutes 2000, section 127A.05, subdivision 3, is amended to read:

Subd. 3. [GENERAL SUPERVISION OVER PUBLIC SCHOOLS AND EDUCATIONAL AGENCIES.] The commissioner of children, families, and learning shall ~~adopt goals for and~~ exercise general supervision over public schools and ~~other public educational agencies in the state, classify and standardize public elementary and secondary schools, and prepare for them outlines and suggested courses of study.~~ The commissioner shall develop a plan to attain the adopted goals. The commissioner may recognize educational accrediting agencies for the sole purposes of sections 120A.22, 120A.24, and 120A.26.

Sec. 3. Minnesota Statutes 2000, section 127A.06, is amended to read:

127A.06 [RECOMMENDATIONS; BUDGET.]

~~The commissioner of children, families, and learning shall recommend to the governor and legislature such modification and unification of laws relating to the state system of education as shall make those laws more readily understood and more effective in execution. The commissioner of children, families, and learning shall prepare a biennial education budget which shall be submitted to the governor and legislature, such budget to contain a complete statement of finances pertaining to the maintenanece operations of the state department and to the distribution of state aid.~~

Sec. 4. Minnesota Statutes 2000, section 127A.41, subdivision 7, is amended to read:

Subd. 7. [SCHEDULE ADJUSTMENTS.] ~~(a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by districts. Districts are encouraged to consider both cost and energy saving measures.~~

~~(b) Any district operating a program pursuant to sections 124D.12 to 124D.127, 124D.128, or 124D.25 to 124D.29, or operating a commissioner-designated area learning center program under section 123A.09, or that otherwise receives the approval of the commissioner to operate its instructional program to avoid an aid reduction in any year, may adjust the annual school schedule for that program throughout the calendar year.~~

Sec. 5. [REPEALER.]

Minnesota Statutes 2000, sections 127A.05, subdivision 5; and 127A.41, subdivision 4, are repealed.

ARTICLE 18

PERPICH CENTER FOR ARTS EDUCATION

Section 1. Minnesota Statutes 2000, section 129C.10, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the Perpich center for arts education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the center for arts education.

(c) The board may receive and award grants. The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance. The board must adopt internal procedures to administer and monitor aids and grants.

~~(d) The board may establish or coordinate evening, continuing education, extension, and summer programs for teachers and pupils.~~

~~(e) The board may identify pupils who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.~~

(f) The board must educate pupils with artistic talent by providing:

(1) an interdisciplinary academic and arts program for pupils in the 11th and 12th grades. The total number of pupils accepted under this clause and clause (2) shall not exceed 300;

(2) additional instruction to pupils for a 13th grade. Pupils eligible for this instruction are those enrolled in 12th grade who need extra instruction and who apply to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes established by the board;

(3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;