

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-SECOND LEGISLATURE

EIGHTY-SIXTH DAY

St. Paul, Minnesota, Tuesday, March 19, 2002

The Senate met at 9:00 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. Rhodel Jacobson.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 15, 2002

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2002 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2002	Date Filed 2002
1495	2612	245 244	12:10 p.m. March 15 Approved w/o signature	March 15 March 15

Sincerely,
Mary Kiffmeyer
Secretary of State

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. 1072, 2971, 2834 and 3258.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 18, 2002

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2932: A bill for an act relating to the environment; encouraging citizen water quality monitoring; amending Minnesota Statutes 2000, section 115.06, by adding a subdivision.

Senate File No. 2932 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 18, 2002

CONCURRENCE AND REPASSAGE

Senator Krentz moved that the Senate concur in the amendments by the House to S.F. No. 2932 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2932 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Kinkel	Metzen	Ranum
Bachmann	Fowler	Kiscaden	Moua	Reiter
Belanger	Frederickson	Kleis	Neuville	Rest
Berg	Higgins	Knutson	Olson	Ring
Berglin	Hottinger	Krentz	Orfield	Robertson
Betzold	Johnson, Dave	Langseth	Ourada	Robling
Cohen	Johnson, Dean	Larson	Pappas	Sabo
Day	Johnson, Debbie	Lesewski	Pariseau	Sams
Dille	Kelley, S.P.	Limmer	Pogemiller	Samuelson
Fischbach	Kierlin	Marty	Price	Scheevel

Scheid
Schwab

Solon, Y.P.
Stevens

Stumpf
Terwilliger

Tomassoni
Wiener

Wiger

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 3174: A bill for an act relating to commerce; creating a small business category under the Money Transmitter Act; modifying regulations; amending Minnesota Statutes 2001 Supplement, sections 53B.05, subdivision 1; 53B.08, subdivision 1.

Senate File No. 3174 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 18, 2002

Senator Kelley, S.P. moved that the Senate do not concur in the amendments by the House to S.F. No. 3174, 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 to be 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. 2882 and 3618.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 18, 2002

FIRST READING OF HOUSE BILLS

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

H.F. No. 2882: A bill for an act relating to traffic regulations; regulating the operation of electric personal assistive mobility devices on roadways and sidewalks; amending Minnesota Statutes 2000, sections 168.011, subdivision 4; 169.01, subdivision 3, by adding a subdivision; 171.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3122, now on General Orders.

H.F. No. 3618: A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; requiring certain studies and reports; authorizing sale of state bonds; canceling earlier appropriations and reducing bond authorizations; making technical corrections; making changes to statutes related to administration of the state's capital improvement program; requiring an inventory of state-owned land; providing a certain exemption from any moratorium on state professional or technical contracts; authorizing a lease of certain Minneapolis park and recreation board land; modifying the wastewater infrastructure program; establishing a local road improvement account; prohibiting any action on the Dan Patch Commuter Rail Line; establishing a multiagency working group on mitigation of effects of DM&E rail project in southern Minnesota; authorizing the purchase of certain state park inholdings; appropriating money; amending Minnesota Statutes 2000, sections 13.462, subdivision 2; 16A.11, subdivision 6;

16A.501; 16A.86, subdivision 3; 16B.335, subdivision 3; 119A.45; 446A.072, subdivisions 1, 3, 6, 7, 8, 9, 11, 12, by adding subdivisions; Laws 1998, chapter 404, section 18, subdivision 4; Laws 2000, chapter 492, article 1, section 12, subdivision 7; Laws 2000, chapter 492, article 1, section 15, subdivision 4; Laws 2000, chapter 492, article 1, section 22, subdivisions 3, as amended, 4; Laws 2000, chapter 492, article 1, section 27; Laws 2001, First Special Session chapter 12, section 10; proposing coding for new law in Minnesota Statutes, chapters 16B; 174; repealing Minnesota Statutes 2000, section 446A.072, subdivisions 2, 4, 5, 10, 13.

Senator Hottinger moved that H.F. No. 3618 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Senator Hottinger moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 3246: A bill for an act relating to trade practices; providing certain enforcement authority to the public utilities commission; limiting unsolicited telephone calls to certain individuals; amending Minnesota Statutes 2000, section 237.081, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Pages 1 and 2, delete section 1

Page 4, line 34, delete "\$50" and insert "\$125" and after the period, insert "The fee shall be reduced to \$90 in fiscal year 2004, and then to \$75 in fiscal year 2005 and thereafter."

Page 5, line 2, delete "185" and insert "90"

Page 6, after line 8, insert:

"Sec. 7. [APPROPRIATION.]

\$482,000 is appropriated from the general fund to the commissioner of commerce to establish and maintain the no-call list and enforce this act, to be available for the fiscal year ending June 30, 2003."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "commission;"

Page 1, lines 5 and 6, delete "amending Minnesota Statutes 2000, section 237.081, subdivision 4" and insert "appropriating money"

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

SECOND READING OF SENATE BILLS

S.F. No. 3246 was read the second time.

MOTIONS AND RESOLUTIONS

Senator Krentz moved that the name of Senator Marty be added as a co-author to S.F. No. 3311. The motion prevailed.

Senator Kinkel moved that the names of Senators Hottinger and Kierlin be added as co-authors to S.F. No. 3444. The motion prevailed.

Senator Kelley, S.P. introduced--

Senate Resolution No. 193: A Senate resolution honoring Cynthia Ahrens, Paraprofessional of the Year 2002.

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Hottinger, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 3075, 2673, 2859, 2909, 2986, 2793, 2486 and 3148.

SPECIAL ORDER

S.F. No. 3075: A bill for an act relating to motor vehicles; providing for payment of sales tax on a motor vehicle sold in violation of dealer licensing requirements; abolishing misdemeanor penalties for certain offenses relating to vehicle titles; amending Minnesota Statutes 2000, section 297B.035, subdivision 3; repealing Minnesota Statutes 2000, section 168A.30, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2673: A bill for an act relating to family law; providing for custody of children by de facto custodians and third parties; making related technical changes; amending Minnesota Statutes 2000, section 518.156, subdivision 1; Minnesota Statutes 2001 Supplement, section 260C.201, subdivision 11; proposing coding for new law as Minnesota Statutes, chapter 257C; repealing Minnesota Statutes 2000, section 518.158.

Senator Cohen moved that S.F. No. 2673 be laid on the table. The motion prevailed.

SPECIAL ORDER

S.F. No. 2859: A bill for an act relating to state government; changing the deadline for the submission of the governor's budget to the legislature; amending Minnesota Statutes 2000, section 16A.11, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2909: A bill for an act relating to health; permitting a health maintenance organization rural demonstration project; modifying enrollee cost-sharing provisions for health maintenance organizations; amending Minnesota Statutes 2000, sections 62D.02, subdivision 8; 62D.30, by adding a subdivision.

Senator Berglin moved to amend S.F. No. 2909 as follows:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 2000, section 62D.02, subdivision 8, is amended to read:

Subd. 8. [HEALTH MAINTENANCE CONTRACT.] "Health maintenance contract" means any contract whereby a health maintenance organization agrees to provide to enrollees comprehensive health maintenance services to enrollees, provided that and any other health care service set forth in the contract. The contract may contain reasonable enrollee copayment cost-sharing provisions if the provisions meet the requirements of section 62D.095. An individual or group health maintenance contract may contain the copayment and deductible provisions specified in this subdivision. Copayment and deductible provisions in group contracts shall not discriminate on the basis of age, sex, race, length of enrollment in the plan, or economic status; and during every open enrollment period in which all offered health benefit plans, including those subject to the jurisdiction of the commissioners of commerce or health, fully participate without any underwriting restrictions, copayment and deductible provisions shall not discriminate on the basis of preexisting health status. In no event shall the sum of the annual copayments and deductible exceed the maximum out-of-pocket expenses allowable for a number three qualified plan under section 62E.06, nor shall that sum exceed \$5,000 per family. The annual deductible must not exceed \$1,000 per person. The annual deductible must not apply to preventive health services as described in Minnesota Rules, part 4685.0801, subpart 8. Where sections 62D.01 to

~~62D.30 permit a health maintenance organization to contain reasonable copayment provisions for preexisting health status, these provisions may vary with respect to length of enrollment in the plan. Any contract may provide for health care services in addition to those set forth in subdivision 7.~~

Sec. 2. [62D.095] [ENROLLEE COST SHARING.]

Subdivision 1. [GENERAL APPLICATION.] A health maintenance contract may contain enrollee cost-sharing provisions as specified in this section. Co-payment and deductible provisions in a group contract must not discriminate on the basis of age, sex, race, disability, economic status, or length of enrollment in the health plan. During an open enrollment period in which all offered health plans fully participate without any underwriting restrictions, co-payment and deductible provisions must not discriminate on the basis of preexisting health status.

Subd. 2. [CO-PAYMENTS.] (a) A health maintenance contract may impose a co-payment as authorized under Minnesota Rules, part 4685.0801, or under this section.

(b) A health maintenance contract may impose a flat fee co-payment not to exceed 50 percent of the median charges for all outpatient prescription drugs received by enrollees. Any co-payment imposed on outpatient prescription drugs must not exceed an annual sum of \$500 per person. This paragraph does not apply to Medicare-related coverage as defined under section 62A.31, subdivision 3, paragraph (q).

(c) If a health maintenance contract is permitted to impose a co-payment for preexisting health status under sections 62D.01 to 62D.30, these provisions may vary with respect to length of enrollment in the health plan.

Subd. 3. [DEDUCTIBLES.] A health maintenance contract may impose deductibles not to exceed \$1,000 per person, per year.

Subd. 4. [ANNUAL OUT-OF-POCKET MAXIMUMS.] A health maintenance contract must include a limitation not to exceed \$5,000 per family and \$3,000 per person on total annual out-of-pocket enrollee cost-sharing expenses.

Subd. 5. [EXCEPTIONS.] No co-payments may be imposed on preventive health care services as described in Minnesota Rules, part 4685.0801, subpart 8."

Page 3, line 12, delete everything after "section" and insert "62D.095, subdivisions 2 to 5,"

Page 3, delete lines 13 to 16

Page 3, line 17, delete everything before "and"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2909 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Day	Hottinger	Kiscaden	Lessard
Bachmann	Dille	Johnson, Dave	Kleis	Limmer
Belanger	Fischbach	Johnson, Dean	Knutson	Lourey
Berglin	Foley	Johnson, Debbie	Krentz	Marty
Betzold	Fowler	Kelley, S.P.	Langseth	Metzen
Chaudhary	Frederickson	Kierlin	Larson	Moua
Cohen	Higgins	Kinkel	Lesewski	Neuville

Oliver	Pogemiller	Robertson	Scheid	Vickerman
Olson	Price	Robling	Schwab	Wiener
Orfield	Ranum	Sabo	Solon, Y.P.	Wiger
Ourada	Reiter	Sams	Stevens	
Pappas	Rest	Samuelson	Terwilliger	
Pariseau	Ring	Scheevel	Tomassoni	

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2986: A bill for an act relating to education; requiring school districts to submit timely information about teacher contract settlements; proposing coding for new law in Minnesota Statutes, chapter 123B.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2793: A bill for an act relating to health services; requiring the commissioner of human services to develop a plan to certify out-of-state facilities that care for children with severe emotional disturbance.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fowler	Lessard	Pariseau	Schwab
Bachmann	Frederickson	Limmer	Pogemiller	Solon, Y.P.
Belanger	Higgins	Lourey	Price	Stevens
Berg	Hottinger	Marty	Ranum	Stumpf
Berglin	Johnson, Dean	Metzen	Reiter	Tomassoni
Betzold	Kelley, S.P.	Moua	Rest	Vickerman
Chaudhary	Kierlin	Neuville	Ring	Wiener
Cohen	Kleis	Oliver	Robertson	Wiger
Day	Krentz	Olson	Robling	
Dille	Langseth	Orfield	Sabo	
Fischbach	Larson	Ourada	Sams	
Foley	Lesewski	Pappas	Scheevel	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2486: A bill for an act relating to health; modifying requirements for major spending commitments of radiation therapy facilities; amending Minnesota Statutes 2000, section 62J.17, subdivision 8.

Senator Samuelson moved to amend S.F. No. 2486 as follows:

Page 3, after line 3, insert:

"Sec. 2. [REPORT BY TASK FORCE.]

The joint task force on health care costs and quality shall evaluate the prospective review and approval process for a major spending commitment described under Minnesota Statutes, section 62J.17, subdivision 6a, and report to the legislature by January 15, 2003, on whether the provisions reduce health care costs or improve health care quality."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Wiener moved to amend S.F. No. 2486 as follows:

Page 2, lines 29 to 36, delete the new language

Page 3, line 1, delete everything before "The" and strike the old language

Page 3, lines 2 and 3, strike the old language and insert "If a major spending commitment would result in the construction of a new radiation therapy facility within ten miles of an existing radiation therapy facility, then the provider incurring, or proposing to incur, the major spending commitment is subject to the procedures of prospective review and approval under subdivision 6a. The provider shall be financially responsible for the cost of the prospective review and approval process."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 9 and nays 54, as follows:

Those who voted in the affirmative were:

Belanger	Lesewski	Ranum	Robertson	Wiener
Chaudhary	Limmer	Ring	Scheid	

Those who voted in the negative were:

Anderson	Frederickson	Krentz	Orfield	Samuelson
Bachmann	Higgins	Langseth	Ourada	Scheevel
Berg	Hottinger	Larson	Pappas	Schwab
Berglin	Johnson, Dean	Lessard	Pariseau	Solon, Y.P.
Betzold	Johnson, Debbie	Lourey	Pogemiller	Stevens
Cohen	Kelley, S.P.	Marty	Price	Stumpf
Day	Kierlin	Metzen	Reiter	Terwilliger
Dille	Kinkel	Moua	Rest	Tomassoni
Fischbach	Kiscaden	Neuville	Robling	Vickerman
Foley	Kleis	Oliver	Sabo	Wiger
Fowler	Knutson	Olson	Sams	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 2486 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Krentz	Orfield	Sabo
Bachmann	Fowler	Langseth	Ourada	Sams
Belanger	Frederickson	Larson	Pappas	Samuelson
Berg	Higgins	Lessard	Pariseau	Schwab
Berglin	Hottinger	Lourey	Pogemiller	Solon, Y.P.
Betzold	Johnson, Dean	Marty	Price	Stevens
Chaudhary	Johnson, Debbie	Metzen	Ranum	Stumpf
Cohen	Kinkel	Moua	Reiter	Tomassoni
Day	Kiscaden	Neuville	Rest	Vickerman
Dille	Kleis	Oliver	Ring	
Fischbach	Knutson	Olson	Robling	

Those who voted in the negative were:

Kelley, S.P.	Lesewski	Robertson	Scheid	Wiener
Kierlin	Limmer	Scheevel	Terwilliger	Wiger

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 3148: A bill for an act relating to housing; affordable housing; providing for accessory dwelling units; requiring municipalities to report separate permit totals for certain types of residential units; amending Minnesota Statutes 2000, sections 462.352, by adding a subdivision; 462.357, by adding a subdivision; 462A.33, by adding a subdivision; Minnesota Statutes 2001 Supplement, section 16B.685.

Senator Berglin moved to amend S.F. No. 3148 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2001 Supplement, section 16B.685, is amended to read:
16B.685 [ANNUAL REPORT.]

Beginning with the first report filed by April 1, 2003, each municipality shall annually report by April 1 to the department, in a format prescribed by the department, all construction and development-related fees collected by the municipality from developers, builders, and subcontractors. The report must include:

(1) the number and valuation of units for which fees were paid, with separate totals for single-family units, multifamily units, and accessory dwelling units;

(2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; and

(3) the expenses associated with the municipal activities for which fees were collected.

Sec. 2. Minnesota Statutes 2000, section 462.352, is amended by adding a subdivision to read:

Subd. 19. [ACCESSORY DWELLING UNIT OR ADU.] "Accessory dwelling unit," or "ADU," means a detached or attached residential living unit that provides complete independent living facilities for one or more persons separate from a main unit or units on the same parcel. An accessory dwelling unit must include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the dwelling it accompanies. An accessory dwelling unit may be a detached dwelling unit built or placed on the same lot as an existing residence, or it may be an attached dwelling unit created by converting part of an existing residence, adding on to an existing residence, or building a separate unit into a new residence.

Sec. 3. Minnesota Statutes 2000, section 462.357, is amended by adding a subdivision to read:

Subd. 9. [ACCESSORY DWELLING UNIT POLICY.] Cities with populations over 50,000 and having a housing shortage, as identified by the United States Department of Housing and Urban Development in its urban housing market analysis, must adopt an accessory dwelling unit policy by ordinance. Under the policy, a city may specify zoned areas of the city where accessory dwelling units are a permitted use and may regulate the height, width, lot coverage, size, setback, and parking requirements for accessory dwelling units. A city may require a conditional use or special use permit for accessory dwelling units.

Sec. 4. Minnesota Statutes 2000, section 462A.33, is amended by adding a subdivision to read:

Subd. 9. [ACCESSORY DWELLING UNIT PROPOSALS ENCOURAGED.] The agency shall encourage applications for grants or loans to aid in the construction, rehabilitation, or conversion of structures or parts of structures to serve as accessory dwelling units for rental to persons meeting the income limits of this section. Among equivalent proposals for accessory dwelling units, higher priority shall be given to proposals to the extent that they promote high energy efficiency and low monthly utility costs for occupants.

Sec. 5. [MODEL ORDINANCE.]

The office of strategic and long-range planning, in coordination with the metropolitan council and other interested parties, shall develop and make available to municipalities model ordinances for accessory dwelling unit development."

Amend the title accordingly

Senator Neuville moved to amend the Berglin amendment to S.F. No. 3148 as follows:

Page 1, line 30, delete "or placed"

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

The question recurred on the Berglin amendment, as amended.

The roll was called, and there were yeas 57 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Pogemiller	Schwab
Belanger	Johnson, Dave	Larson	Price	Solon, Y.P.
Berglin	Johnson, Dean	Limmer	Ranum	Stevens
Betzold	Johnson, Debbie	Lourey	Rest	Stumpf
Chaudhary	Johnson, Doug	Marty	Ring	Terwilliger
Cohen	Kelley, S.P.	Metzen	Robertson	Tomassoni
Day	Kierlin	Moua	Robling	Vickerman
Fischbach	Kinkel	Neuville	Sabo	Wiener
Foley	Kiscaden	Olson	Sams	Wiger
Fowler	Kleis	Orfield	Samuelson	
Frederickson	Knutson	Ourada	Scheevel	
Higgins	Krentz	Pappas	Scheid	

Those who voted in the negative were:

Bachmann	Dille	Oliver	Pariseau	Reiter
Berg	Lesewski			

The motion prevailed. So the Berglin amendment, as amended, was adopted.

S.F. No. 3148 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 43 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Betzold	Chaudhary	Cohen
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Foley	Kelley, S.P.	Lourey	Ranum	Solon, Y.P.
Fowler	Kinkel	Marty	Rest	Stevens
Frederickson	Kleis	Metzen	Ring	Stumpf
Higgins	Knutson	Moua	Robertson	Tomassoni
Hottinger	Krentz	Orfield	Sabo	Vickerman
Johnson, Dave	Langseth	Pappas	Sams	Wiger
Johnson, Dean	Larson	Pogemiller	Samuelson	
Johnson, Doug	Limmer	Price	Scheid	

Those who voted in the negative were:

Bachmann	Dille	Kiscaden	Olson	Robling
Belanger	Fischbach	Lesewski	Ourada	Scheevel
Berg	Johnson, Debbie	Neuville	Pariseau	Schwab
Day	Kierlin	Oliver	Reiter	Terwilliger

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Cohen moved that S.F. No. 2673 be taken from the table. The motion prevailed.

S.F. No. 2673: A bill for an act relating to family law; providing for custody of children by de facto custodians and third parties; making related technical changes; amending Minnesota Statutes 2000, section 518.156, subdivision 1; Minnesota Statutes 2001 Supplement, section 260C.201, subdivision 11; proposing coding for new law as Minnesota Statutes, chapter 257C; repealing Minnesota Statutes 2000, section 518.158.

Senator Cohen moved to amend S.F. No. 2673 as follows:

Page 8, line 1, delete "grave and weighty reasons" and insert "extraordinary circumstances"

The motion prevailed. So the amendment was adopted.

Senator Sabo moved to amend S.F. No. 2673 as follows:

Page 18, after line 6, insert:

"Sec. 9. Minnesota Statutes 2000, section 518B.01, subdivision 5, is amended to read:

Subd. 5. [HEARING ON APPLICATION; NOTICE.] (a) Upon receipt of the petition, the court shall order a hearing which shall be held not later than 14 days from the date of the order for hearing unless an ex parte order is issued.

(b) If an ex parte order has been issued under subdivision 7 and a hearing requested, the time periods under subdivision 7 for holding a hearing apply. If a hearing was requested by the petitioner, the petitioner seeks only the relief under subdivision 7, paragraph (a), a hearing is not required unless:

(1) the court declines to order the requested relief; or

(2) one of the parties requests a hearing.

(c) If an ex parte order has been issued under subdivision 7 and the petitioner seeks relief beyond that specified in subdivision 7, paragraph (a), or if the court declines to order relief requested by the petitioner, a hearing must be held within seven days. Personal service of the ex parte order may be made upon the respondent at any time up to 12 hours prior to the time set for the hearing, provided that the respondent at the hearing may request a continuance of up to five days if served fewer than five days prior to the hearing which continuance shall be granted unless there are compelling reasons not to. If the hearing was requested by the respondent after issuance of an ex parte order under subdivision 7,

(d) If an ex parte order has been issued only granting relief under subdivision 7, paragraph (a),

and the respondent requests a hearing, the hearing shall be held within ten days of the court's receipt of the respondent's request. Service of the notice of hearing must be made upon the petitioner not less than five days prior to the hearing. The court shall serve the notice of hearing upon the petitioner by mail in the manner provided in the rules of civil procedure for pleadings subsequent to a complaint and motions and shall also mail notice of the date and time of the hearing to the respondent. In the event that service cannot be completed in time to give the respondent or petitioner the minimum notice required under this paragraph subdivision, the court may set a new hearing date no more than five days later.

(e) If for good cause shown either party is unable to proceed at the initial hearing and requests a continuance and the court finds that a continuance is appropriate, the hearing may be continued. Unless otherwise agreed by the parties and approved by the court, the continuance shall be for no more than five days. If the court grants the requested continuance, the court shall also issue a written order continuing all provisions of the ex parte order pending the issuance of an order after the hearing.

~~(b)~~ (f) Notwithstanding the preceding provisions of ~~paragraph (a)~~ this subdivision, service on the respondent may be made by one week published notice, as provided under section 645.11, provided the petitioner files with the court an affidavit stating that an attempt at personal service made by a sheriff or other law enforcement or corrections officer was unsuccessful because the respondent is avoiding service by concealment or otherwise, and that a copy of the petition and notice of hearing has been mailed to the respondent at the respondent's residence or that the residence is not known to the petitioner. Service under this paragraph is complete seven days after publication. The court shall set a new hearing date if necessary to allow the respondent the five-day minimum notice required under paragraph ~~(a)~~ (d).

Sec. 10. Minnesota Statutes 2000, section 518B.01, subdivision 7, is amended to read:

Subd. 7. [EX PARTE ORDER.] (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte order for protection and granting relief as the court deems proper, including an order:

- (1) restraining the abusing party from committing acts of domestic abuse;
- (2) excluding any party from the dwelling they share or from the residence of the other except by further order of the court;
- (3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting access to the petitioner by the abusing party at the petitioner's place of employment; and
- (4) continuing all currently available insurance coverage without change in coverage or beneficiary designation.

(b) A finding by the court that there is a basis for issuing an ex parte order for protection constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte relief.

(c) Subject to paragraph (d), an ex parte order for protection shall be effective for a fixed period set by the court, as provided in subdivision 6, paragraph (b), or until modified or vacated by the court pursuant to a hearing. Upon request, a full hearing, as provided by this section, shall be set ~~for not later than seven days from the issuance of the ex parte order, if a hearing is requested by the petitioner, or not later than ten days or earlier than eight days from receipt by the court of a request for a hearing by the respondent.~~ Except as provided in paragraph (d), the respondent shall be personally served forthwith a copy of the ex parte order along with a copy of the petition and, if requested by the petitioner, notice of the date set for the hearing. If the petitioner does not request a hearing, an order served on a respondent under this subdivision must include a notice advising the respondent of the right to request a hearing, must be accompanied by a form that can be used by the respondent to request a hearing and must include a conspicuous notice that a hearing will not be held unless requested by the respondent within five days of service of the order.

(d) Service of the ex parte order may be made by published notice, as provided under

subdivision 5, provided that the petitioner files the affidavit required under that subdivision. If personal service is not made or the affidavit is not filed within 14 days of issuance of the ex parte order, the order expires. If the petitioner does not request a hearing, the petition mailed to the respondent's residence, if known, must be accompanied by the form for requesting a hearing and notice described in paragraph (c). Unless personal service is completed, if service by published notice is not completed within 28 days of issuance of the ex parte order, the order expires.

(e) If the petitioner seeks relief under subdivision 6 other than the relief described in paragraph (a), the petitioner must request a hearing to obtain the additional relief.

(f) Nothing in this subdivision affects the right of a party to seek modification of an order under subdivision 11.

Sec. 11. Minnesota Statutes 2000, section 518B.01, subdivision 13, is amended to read:

Subd. 13. [COPY TO LAW ENFORCEMENT AGENCY.] (a) An order for protection and any continuance of an order for protection granted pursuant to this section shall be forwarded by the court administrator within 24 hours to the local law enforcement agency with jurisdiction over the residence of the applicant.

Each appropriate law enforcement agency shall make available to other law enforcement officers through a system for verification, information as to the existence and status of any order for protection issued pursuant to this section.

(b) If the applicant notifies the court administrator of a change in the applicant's residence so that a different local law enforcement agency has jurisdiction over the residence, the order for protection and any continuance of an order for protection must be forwarded by the court administrator to the new law enforcement agency within 24 hours of the notice. If the applicant notifies the new law enforcement agency that an order for protection has been issued under this section and the applicant has established a new residence within that agency's jurisdiction, within 24 hours the local law enforcement agency shall request a copy of the order for protection from the court administrator in the county that issued the order.

(c) When an order for protection is granted, the applicant for an order for protection must be told by the court that:

(1) notification of a change in residence should be given immediately to the court administrator and to the local law enforcement agency having jurisdiction over the new residence of the applicant;

(2) the reason for notification of a change in residence is to forward an order for protection to the proper law enforcement agency; and

(3) the order for protection must be forwarded to the law enforcement agency having jurisdiction over the new residence within 24 hours of notification of a change in residence, whether notification is given to the court administrator or to the local law enforcement agency having jurisdiction over the applicant's new residence.

An order for protection is enforceable even if the applicant does not notify the court administrator or the appropriate law enforcement agency of a change in residence."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for hearings on petitions for orders of protection; providing for notice to law enforcement agencies of continuance of order for protection;"

Page 1, line 5, delete "section" and insert "sections" and after the semicolon, insert "518B.01, subdivisions 5, 7, 13;"

The motion prevailed. So the amendment was adopted.

S.F. No. 2673 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Senator Hottinger moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 3099: A bill for an act relating to human services; making changes to continuing care programs; modifying case manager continuing education requirements; adding an exemption from preadmission screening requirements; requiring a case management services study; amending Minnesota Statutes 2000, sections 245.462, subdivision 4; 245.4871, subdivision 4; Minnesota Statutes 2001 Supplement, sections 256B.0627, subdivision 10; 256B.0911, subdivisions 4b, 4d; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.0951, subdivisions 7, 8; 256B.437, subdivision 6.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

HUMAN SERVICES AND CORRECTIONS

Section 1. Minnesota Statutes 2001 Supplement, section 144.122, is amended to read:

144.122 [LICENSE, PERMIT, AND SURVEY FEES.]

(a) The state commissioner of health, by rule, may prescribe reasonable procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by

the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the department of finance. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be deposited in the state treasury and credited to the state government special revenue fund unless otherwise specifically appropriated by law for specific purposes.

(b) The commissioner shall adopt reasonable rules establishing criteria and procedures for refusal to grant or renew licenses and registrations, and for suspension and revocation of licenses and registrations.

(c) The commissioner may refuse to grant or renew licenses and registrations, or suspend or revoke licenses and registrations, in accordance with the commissioner's criteria and procedures as adopted by rule.

(d) The commissioner may charge a fee for voluntary certification of medical laboratories and environmental laboratories, and for environmental and medical laboratory services provided by the department, without complying with paragraph (a) or chapter 14. Fees charged for environment and medical laboratory services provided by the department must be approximately equal to the costs of providing the services.

(e) (e) The commissioner may develop a schedule of fees for diagnostic evaluations conducted at clinics held by the services for children with handicaps program. All receipts generated by the program are annually appropriated to the commissioner for use in the maternal and child health program.

(f) (f) The commissioner shall set license fees for hospitals and nursing homes that are not boarding care homes at the following levels:

Joint Commission on Accreditation of Healthcare

Organizations (JCAHO hospitals) \$7,055

Non-JCAHO hospitals \$4,680 plus \$234 per bed

Nursing home \$183 plus \$91 per bed

The commissioner shall set license fees for outpatient surgical centers, boarding care homes, and supervised living facilities at the following levels:

Outpatient surgical centers \$1,512

Boarding care homes \$183 plus \$91 per bed

Supervised living facilities \$183 plus \$91 per bed.

(g) (g) Unless prohibited by federal law, the commissioner of health shall charge applicants the following fees to cover the cost of any initial certification surveys required to determine a provider's eligibility to participate in the Medicare or Medicaid program:

Prospective payment surveys for hospitals \$900

Swing bed surveys for nursing homes \$1,200

Psychiatric hospitals \$1,400

Rural health facilities \$1,100

Portable X-ray providers \$500

Home health agencies \$1,800

Outpatient therapy agencies \$800

End stage renal dialysis providers	\$2,100
Independent therapists	\$800
Comprehensive rehabilitation outpatient facilities	\$1,200
Hospice providers	\$1,700
Ambulatory surgical providers	\$1,800
Hospitals	\$4,200
Other provider categories or additional resurveys required to complete initial certification	Actual surveyor costs: average surveyor cost x number of hours for the survey process.

These fees shall be submitted at the time of the application for federal certification and shall not be refunded. All fees collected after the date that the imposition of fees is not prohibited by federal law shall be deposited in the state treasury and credited to the state government special revenue fund.

(h) The commissioner shall charge the following fees for examinations, registrations, licenses, plan reviews, and inspections:

<u>Plumbing examination</u>		<u>\$50</u>
<u>Water conditioning examination</u>		<u>\$50</u>
<u>Plumbing bond registration fee</u>		<u>\$40</u>
<u>Water conditioning bond registration fee</u>		<u>\$40</u>
<u>Master plumber's license</u>		<u>\$120</u>
<u>Restricted plumbing contractor license</u>		<u>\$90</u>
<u>Journeyman plumber's license</u>		<u>\$55</u>
<u>Apprentice registration</u>		<u>\$25</u>
<u>Water conditioning contractor license</u>		<u>\$70</u>
<u>Water conditioning installer license</u>		<u>\$35</u>
<u>Residential inspection fee (each visit)</u>		<u>\$50</u>
<u>Public, commercial, and industrial inspections</u>	<u>Plan review fee</u>	<u>Inspection fee</u>
<u>25 or fewer drainage fixture units</u>	<u>\$50</u>	<u>\$300</u>
<u>26 to 50 drainage fixture units</u>	<u>\$150</u>	<u>\$900</u>
<u>51 to 150 drainage fixture units</u>	<u>\$200</u>	<u>\$1,200</u>
<u>151 to 249 drainage fixture units</u>	<u>\$250</u>	<u>\$1,500</u>
<u>250 or more drainage fixture units</u>	<u>\$300</u>	<u>\$1,800</u>
<u>Callback fee (each visit)</u>		<u>\$100</u>

Plumbing installations that require only fixture installation or replacement require a minimum of one inspection. Residence remodeling involving plumbing installations requires a minimum of two inspections. New residential plumbing installations require a minimum of three inspections. For purposes of this paragraph, residences of more than four units are considered commercial.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 2. Minnesota Statutes 2001 Supplement, section 144.148, subdivision 2, is amended to read:

Subd. 2. [PROGRAM.] (a) The commissioner of health shall award rural hospital capital improvement grants to eligible rural hospitals. Except as provided in paragraph (b), a grant shall not exceed \$500,000 per hospital. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-quarter of the grant amount, which may include in-kind services, is available for the same purposes from nonstate resources. Notwithstanding any law to the contrary, funds awarded to grantees in a grant agreement do not lapse until expended by the grantee.

(b) A grant shall not exceed \$1,500,000 per eligible rural hospital that also satisfies the following criteria:

(1) is the only hospital in a county;

(2) has 25 or fewer licensed hospital beds with a net hospital operating margin not greater than an average of two percent over the three fiscal years prior to application;

(3) is located in a medically underserved community (MUC) or a health professional shortage area (HPSA);

(4) is located near a migrant worker employment site and regularly treats significant numbers of migrant workers and their families; and

(5) has not previously received a grant under this section prior to July 1, 1999.

Sec. 3. Minnesota Statutes 2000, section 241.44, is amended by adding a subdivision to read:

Subd. 5. [GRANTS.] The ombudsman may apply for and receive grants from public and private entities for purposes of carrying out the ombudsman's powers and duties under sections 241.41 to 241.45.

Sec. 4. Minnesota Statutes 2000, section 245.462, subdivision 4, is amended to read:

Subd. 4. [CASE MANAGEMENT SERVICE PROVIDER.] (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in section 245.4711.

(b) A case manager must:

(1) be skilled in the process of identifying and assessing a wide range of client needs;

(2) be knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) have a bachelor's degree in one of the behavioral sciences or related fields including, but not limited to, social work, psychology, or nursing from an accredited college or university or meet the requirements of paragraph (c); and

(4) meet the supervision and continuing education requirements described in paragraphs (d), (e), and (f), as applicable.

(c) Case managers without a bachelor's degree must meet one of the requirements in clauses (1) to (3):

(1) have three or four years of experience as a case manager associate as defined in this section;

(2) be a registered nurse without a bachelor's degree and have a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; or

(3) be a person who qualified as a case manager under the 1998 department of human service waiver provision and meet the continuing education and mentoring requirements in this section.

(d) A case manager with at least 2,000 hours of supervised experience in the delivery of services to adults with mental illness must receive regular ongoing supervision and clinical supervision totaling 38 hours per year of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The remaining 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours. Clinical supervision must be documented in the client record.

(e) A case manager without 2,000 hours of supervised experience in the delivery of services to adults with mental illness must:

(1) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour per week until the requirement of 2,000 hours of experience is met; and

(2) complete 40 hours of training approved by the commissioner in case management skills and the characteristics and needs of adults with serious and persistent mental illness.

(f) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in mental illness and mental health services annually every two years.

(g) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a registered nurse without a bachelor's degree;

(iii) within the previous ten years, have three years of life experience with serious and persistent mental illness as defined in section 245.462, subdivision 20; or as a child had severe emotional disturbance as defined in section 245.4871, subdivision 6; or have three years life experience as a primary caregiver to an adult with serious and persistent mental illness within the previous ten years;

(iv) have 6,000 hours work experience as a nondegreed state hospital technician; or

(v) be a mental health practitioner as defined in section 245.462, subdivision 17, clause (2).

Individuals meeting one of the criteria in items (i) to (iv), may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (v), may qualify as a case manager after three years of supervised experience as a case manager associate.

(h) A case management associate must meet the following supervision, mentoring, and continuing education requirements:

(1) have 40 hours of preservice training described under paragraph (e), clause (2);

(2) receive at least 40 hours of continuing education in mental illness and mental health services annually; and

(3) receive at least five hours of mentoring per week from a case management mentor. A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(i) A case management supervisor must meet the criteria for mental health professionals, as specified in section 245.462, subdivision 18.

(j) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to adult immigrants with serious and persistent mental illness who are members of the same ethnic group as the case manager if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of this subdivision are met.

Sec. 5. Minnesota Statutes 2000, section 245.4871, subdivision 4, is amended to read:

Subd. 4. [CASE MANAGEMENT SERVICE PROVIDER.] (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in subdivision 3 for the child with severe emotional disturbance and the child's family.

(b) A case manager must:

(1) have experience and training in working with children;

(2) have at least a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university or meet the requirements of paragraph (d);

(3) have experience and training in identifying and assessing a wide range of children's needs;

(4) be knowledgeable about local community resources and how to use those resources for the benefit of children and their families; and

(5) meet the supervision and continuing education requirements of paragraphs (e), (f), and (g), as applicable.

(c) A case manager may be a member of any professional discipline that is part of the local system of care for children established by the county board.

(d) A case manager without a bachelor's degree must meet one of the requirements in clauses (1) to (3):

(1) have three or four years of experience as a case manager associate;

(2) be a registered nurse without a bachelor's degree who has a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; or

(3) be a person who qualified as a case manager under the 1998 department of human services waiver provision and meets the continuing education, supervision, and mentoring requirements in this section.

(e) A case manager with at least 2,000 hours of supervised experience in the delivery of mental health services to children must receive regular ongoing supervision and clinical supervision totaling 38 hours per year, of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The other 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours.

(f) A case manager without 2,000 hours of supervised experience in the delivery of mental health services to children with emotional disturbance must:

(1) begin 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of children with severe emotional disturbance before beginning to provide case management services; and

(2) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour each week until the requirement of 2,000 hours of experience is met.

(g) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in severe emotional disturbance and mental health services ~~annually~~ every two years.

(h) Clinical supervision must be documented in the child's record. When the case manager is not a mental health professional, the county board must provide or contract for needed clinical supervision.

(i) The county board must ensure that the case manager has the freedom to access and coordinate the services within the local system of care that are needed by the child.

(j) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a registered nurse without a bachelor's degree;

(iii) have three years of life experience as a primary caregiver to a child with serious emotional disturbance as defined in section 245.4871, subdivision 6, within the previous ten years;

(iv) have 6,000 hours work experience as a nondegreed state hospital technician; or

(v) be a mental health practitioner as defined in subdivision 26, clause (2).

Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (v) may qualify as a case manager after three years of supervised experience as a case manager associate.

(k) Case manager associates must meet the following supervision, mentoring, and continuing education requirements;

(1) have 40 hours of preservice training described under paragraph (f), clause (1);

(2) receive at least 40 hours of continuing education in severe emotional disturbance and mental health service annually; and

(3) receive at least five hours of mentoring per week from a case management mentor. A "case

management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(l) A case management supervisor must meet the criteria for a mental health professional as specified in section 245.4871, subdivision 27.

(m) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to child immigrants with severe emotional disturbance of the same ethnic group as the immigrant if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or related fields at an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.

Sec. 6. Minnesota Statutes 2000, section 245.50, subdivision 1, is amended to read:

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

(a) "Bordering state" means Iowa, North Dakota, South Dakota, or Wisconsin.

(b) "Receiving agency or facility" means a public or private hospital, mental health center, or other person or organization authorized by a state to provide which provides mental health services under this section to individuals from a state other than the state in which the agency is located.

(c) "Receiving state" means the state in which a receiving agency is located.

(d) "Sending agency" means a state or county agency which sends an individual to a bordering state for treatment under this section.

(e) "Sending state" means the state in which the sending agency is located.

Sec. 7. Minnesota Statutes 2000, section 245.50, subdivision 2, is amended to read:

Subd. 2. [PURPOSE AND AUTHORITY.] (a) The purpose of this section is to enable appropriate treatment to be provided to individuals, across state lines from the individual's state of residence, in qualified facilities that are closer to the homes of individuals than are facilities available in the individual's home state.

(b) Unless prohibited by another law and subject to the exceptions listed in subdivision 3, a county board or the commissioner of human services may contract with an agency or facility in a bordering state for mental health services for residents of Minnesota, and a Minnesota mental health agency or facility may contract to provide services to residents of bordering states. Except as provided in subdivision 5, a person who receives services in another state under this section is subject to the laws of the state in which services are provided. A person who will receive services in another state under this section must be informed of the consequences of receiving services in another state, including the implications of the differences in state laws, to the extent the individual will be subject to the laws of the receiving state.

Sec. 8. Minnesota Statutes 2000, section 245.50, subdivision 5, is amended to read:

Subd. 5. [SPECIAL CONTRACTS; WISCONSIN BORDERING STATES.] The commissioner of the Minnesota department of human services must enter into negotiations with

appropriate personnel at the Wisconsin department of health and social services and must develop an agreement that conforms to the requirements of subdivision 4, to enable the placement in Minnesota of patients who are on emergency holds or who have been involuntarily committed as mentally ill or chemically dependent in Wisconsin and to enable the temporary placement in Wisconsin of patients who are on emergency holds in Minnesota under section 253B.05, provided that the Minnesota courts retain jurisdiction over Minnesota patients, and the state of Wisconsin affords to Minnesota patients the rights under Minnesota law. Persons committed by the Wisconsin courts and placed in Minnesota facilities shall continue to be in the legal custody of Wisconsin and Wisconsin's laws governing length of commitment, reexaminations, and extension of commitment shall continue to apply to these residents. In all other respects, Wisconsin residents placed in Minnesota facilities are subject to Minnesota laws. The agreement must specify that responsibility for payment for the cost of care of Wisconsin residents shall remain with the state of Wisconsin and the cost of care of Minnesota residents shall remain with the state of Minnesota. The commissioner shall be assisted by attorneys from the Minnesota attorney general's office in negotiating and finalizing this agreement. The agreement shall be completed so as to permit placement of Wisconsin residents in Minnesota facilities and Minnesota residents in Wisconsin facilities beginning July 1, 1994. (a) An individual who is detained, committed, or placed on an involuntary basis under chapter 253B may be confined or treated in a bordering state pursuant to a contract under this section. An individual who is detained, committed, or placed on an involuntary basis under the civil law of a bordering state may be confined or treated in Minnesota pursuant to a contract under this section. A peace or health officer who is acting under the authority of the sending state may transport an individual to a receiving agency that provides services pursuant to a contract under this section, and may transport the individual back to the sending state under the laws of the sending state. Court orders valid under the law of the sending state are granted recognition and reciprocity in the receiving state for individuals covered by a contract under this section to the extent that the court orders relate to confinement for treatment or care of mental illness. Such treatment or care may address other conditions that may be co-occurring with the mental illness. These court orders are not subject to legal challenge in the courts of the receiving state. Individuals who are detained, committed, or placed under the law of a sending state and who are transferred to a receiving state under this section continue to be in the legal custody of the authority responsible for them under the law of the sending state. Except in emergencies, those individuals may not be transferred, removed, or furloughed from a receiving agency without the specific approval of the authority responsible for them under the law of the sending state.

(b) While in the receiving state pursuant to a contract under this section, an individual shall be subject to the sending state's laws and rules relating to length of confinement, reexaminations, and extensions of confinement. No individual may be sent to another state pursuant to a contract under this section until the receiving state has enacted a law recognizing the validity and applicability of this section.

(c) If an individual receiving services pursuant to a contract under this section leaves the receiving agency without permission and the individual is subject to involuntary confinement under the law of the sending state, the receiving agency shall use all reasonable means to return the individual to the receiving agency. The receiving agency shall immediately report the absence to the sending agency. The receiving state has the primary responsibility for, and the authority to direct, the return of these individuals within its borders and is liable for the cost of the action to the extent that it would be liable for costs of its own resident.

(d) Responsibility for payment for the cost of care remains with the sending agency.

(e) This subdivision also applies to county contracts under subdivision 2 which include emergency care and treatment provided to a county resident in a bordering state.

Sec. 9. Minnesota Statutes 2001 Supplement, section 256B.0627, subdivision 10, is amended to read:

Subd. 10. [FISCAL INTERMEDIARY OPTION AVAILABLE FOR PERSONAL CARE ASSISTANT SERVICES.] (a) The commissioner may allow a recipient of personal care assistant services to use a fiscal intermediary to assist the recipient in paying and accounting for medically

necessary covered personal care assistant services authorized in subdivision 4 and within the payment parameters of subdivision 5. Unless otherwise provided in this subdivision, all other statutory and regulatory provisions relating to personal care assistant services apply to a recipient using the fiscal intermediary option.

(b) The recipient or responsible party shall:

(1) recruit, hire, and terminate a qualified professional, if a qualified professional is requested by the recipient or responsible party;

(2) verify and document the credentials of the qualified professional, if a qualified professional is requested by the recipient or responsible party;

(3) develop a service plan based on physician orders and public health nurse assessment with the assistance of a qualified professional, if a qualified professional is requested by the recipient or responsible party, that addresses the health and safety of the recipient;

(4) recruit, hire, and terminate the personal care assistant;

(5) orient and train the personal care assistant with assistance as needed from the qualified professional;

(6) supervise and evaluate the personal care assistant with assistance as needed from the recipient's physician or the qualified professional;

(7) monitor and verify in writing and report to the fiscal intermediary the number of hours worked by the personal care assistant and the qualified professional; and

(8) enter into a written agreement, as specified in paragraph (f).

(c) The duties of the fiscal intermediary shall be to:

(1) bill the medical assistance program for personal care assistant and qualified professional services;

(2) request and secure background checks on personal care assistants and qualified professionals according to section 245A.04;

(3) pay the personal care assistant and qualified professional based on actual hours of services provided;

(4) withhold and pay all applicable federal and state taxes;

(5) verify and keep records of hours worked by the personal care assistant and qualified professional;

(6) make the arrangements and pay unemployment insurance, taxes, workers' compensation, liability insurance, and other benefits, if any;

(7) enroll in the medical assistance program as a fiscal intermediary; and

(8) enter into a written agreement as specified in paragraph (f) before services are provided.

(d) The fiscal intermediary:

(1) may not be related to the recipient, qualified professional, or the personal care assistant;

(2) must ensure arm's length transactions with the recipient and personal care assistant; and

(3) shall be considered a joint employer of the personal care assistant and qualified professional to the extent specified in this section.

The fiscal intermediary or owners of the entity that provides fiscal intermediary services under

this subdivision must pass a criminal background check as required in section 256B.0627, subdivision 1, paragraph (e).

(e) If the recipient or responsible party requests a qualified professional, the qualified professional providing assistance to the recipient shall meet the qualifications specified in section 256B.0625, subdivision 19c. The qualified professional shall assist the recipient in developing and revising a plan to meet the recipient's needs, as assessed by the public health nurse. In performing this function, the qualified professional must visit the recipient in the recipient's home at least once annually. The qualified professional must report any suspected abuse, neglect, or financial exploitation of the recipient to the appropriate authorities.

(f) The fiscal intermediary, recipient or responsible party, personal care assistant, and qualified professional shall enter into a written agreement before services are started. The agreement shall include:

- (1) the duties of the recipient, qualified professional, personal care assistant, and fiscal agent based on paragraphs (a) to (e);
- (2) the salary and benefits for the personal care assistant and the qualified professional;
- (3) the administrative fee of the fiscal intermediary and services paid for with that fee, including background check fees;
- (4) procedures to respond to billing or payment complaints; and
- (5) procedures for hiring and terminating the personal care assistant and the qualified professional.

(g) The rates paid for personal care assistant services, shared care services, qualified professional services, and fiscal intermediary services under this subdivision shall be the same rates paid for personal care assistant services and qualified professional services under subdivision 2 respectively. Except for the administrative fee of the fiscal intermediary specified in paragraph (f), the remainder of the rates paid to the fiscal intermediary must be used to pay for the salary and benefits for the personal care assistant or the qualified professional.

(h) As part of the assessment defined in subdivision 1, the following conditions must be met to use or continue use of a fiscal intermediary:

- (1) the recipient must be able to direct the recipient's own care, or the responsible party for the recipient must be readily available to direct the care of the personal care assistant;
- (2) the recipient or responsible party must be knowledgeable of the health care needs of the recipient and be able to effectively communicate those needs;
- (3) a face-to-face assessment must be conducted by the local county public health nurse at least annually, or when there is a significant change in the recipient's condition or change in the need for personal care assistant services;

(4) ~~the recipient cannot select the shared services option~~ recipients who choose to use the shared care option as specified in subdivision 8 must utilize the same fiscal intermediary; and

- (5) parties must be in compliance with the written agreement specified in paragraph (f).

(i) The commissioner shall deny, revoke, or suspend the authorization to use the fiscal intermediary option if:

- (1) it has been determined by the qualified professional or local county public health nurse that the use of this option jeopardizes the recipient's health and safety;
- (2) the parties have failed to comply with the written agreement specified in paragraph (f); or
- (3) the use of the option has led to abusive or fraudulent billing for personal care assistant services.

The recipient or responsible party may appeal the commissioner's action according to section 256.045. The denial, revocation, or suspension to use the fiscal intermediary option shall not affect the recipient's authorized level of personal care assistant services as determined in subdivision 5.

Sec. 10. Minnesota Statutes 2001 Supplement, section 256B.0911, subdivision 4b, is amended to read:

Subd. 4b. [EXEMPTIONS AND EMERGENCY ADMISSIONS.] (a) Exemptions from the federal screening requirements outlined in subdivision 4a, paragraphs (b) and (c), are limited to:

(1) a person who, having entered an acute care facility from a certified nursing facility, is returning to a certified nursing facility; and

(2) a person transferring from one certified nursing facility in Minnesota to another certified nursing facility in Minnesota; and

(3) a person, 21 years of age or older, who satisfies the following criteria, as specified in the Code of Federal Regulations, title 42, section 483.106(b)(2):

(i) the person is admitted to a nursing facility directly from a hospital after receiving acute inpatient care at the hospital;

(ii) the person requires nursing facility services for the same condition for which care was provided in the hospital; and

(iii) the attending physician has certified before the nursing facility admission that the person is likely to receive less than 30 days of nursing facility services.

(b) Persons who are exempt from preadmission screening for purposes of level of care determination include:

(1) persons described in paragraph (a);

(2) an individual who has a contractual right to have nursing facility care paid for indefinitely by the veterans' administration;

(3) an individual enrolled in a demonstration project under section 256B.69, subdivision 8, at the time of application to a nursing facility;

(4) an individual currently being served under the alternative care program or under a home and community-based services waiver authorized under section 1915(c) of the federal Social Security Act; and

(5) individuals admitted to a certified nursing facility for a short-term stay, which is expected to be 14 days or less in duration based upon a physician's certification, and who have been assessed and approved for nursing facility admission within the previous six months. This exemption applies only if the consultation team member determines at the time of the initial assessment of the six-month period that it is appropriate to use the nursing facility for short-term stays and that there is an adequate plan of care for return to the home or community-based setting. If a stay exceeds 14 days, the individual must be referred no later than the first county working day following the 14th resident day for a screening, which must be completed within five working days of the referral. The payment limitations in subdivision 7 apply to an individual found at screening to not meet the level of care criteria for admission to a certified nursing facility.

(c) Persons admitted to a Medicaid-certified nursing facility from the community on an emergency basis as described in paragraph (d) or from an acute care facility on a nonworking day must be screened the first working day after admission.

(d) Emergency admission to a nursing facility prior to screening is permitted when all of the following conditions are met:

(1) a person is admitted from the community to a certified nursing or certified boarding care facility during county nonworking hours;

(2) a physician has determined that delaying admission until preadmission screening is completed would adversely affect the person's health and safety;

(3) there is a recent precipitating event that precludes the client from living safely in the community, such as sustaining an injury, sudden onset of acute illness, or a caregiver's inability to continue to provide care;

(4) the attending physician has authorized the emergency placement and has documented the reason that the emergency placement is recommended; and

(5) the county is contacted on the first working day following the emergency admission. Transfer of a patient from an acute care hospital to a nursing facility is not considered an emergency except for a person who has received hospital services in the following situations: hospital admission for observation, care in an emergency room without hospital admission, or following hospital 24-hour bed care.

(e) A nursing facility must provide a written notice to persons who satisfy the criteria in paragraph (a), clause (3), regarding the person's right to request and receive long-term care consultation services as defined in subdivision 1a. The notice must be provided prior to the person's discharge from the facility and in a format specified by the commissioner.

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

Sec. 11. Minnesota Statutes 2001 Supplement, section 256B.0911, subdivision 4d, is amended to read:

Subd. 4d. [PREADMISSION SCREENING OF INDIVIDUALS UNDER 65 YEARS OF AGE.] (a) It is the policy of the state of Minnesota to ensure that individuals with disabilities or chronic illness are served in the most integrated setting appropriate to their needs and have the necessary information to make informed choices about home and community-based service options.

(b) Individuals under 65 years of age who are admitted to a nursing facility from a hospital must be screened prior to admission as outlined in subdivisions 4a through 4c.

(c) Individuals under 65 years of age who are admitted to nursing facilities with only a telephone screening must receive a face-to-face assessment from the long-term care consultation team member of the county in which the facility is located or from the recipient's county case manager within 20 working days of admission.

(d) Individuals under 65 years of age who are admitted to a nursing facility without preadmission screening according to the exemption described in subdivision 4b, paragraph (a), clause (3), and who remain in the facility longer than 30 days must receive a face-to-face assessment within 40 days of admission.

~~(d)~~ (e) At the face-to-face assessment, the long-term care consultation team member or county case manager must perform the activities required under subdivision 3b.

~~(e)~~ (f) For individuals under 21 years of age, a screening interview which recommends nursing facility admission must be face-to-face and approved by the commissioner before the individual is admitted to the nursing facility.

~~(f)~~ (g) In the event that an individual under 65 years of age is admitted to a nursing facility on an emergency basis, the county must be notified of the admission on the next working day, and a face-to-face assessment as described in paragraph (c) must be conducted within 20 working days of admission.

~~(g)~~ (h) At the face-to-face assessment, the long-term care consultation team member or the case manager must present information about home and community-based options so the individual can make informed choices. If the individual chooses home and community-based services, the

long-term care consultation team member or case manager must complete a written relocation plan within 20 working days of the visit. The plan shall describe the services needed to move out of the facility and a time line for the move which is designed to ensure a smooth transition to the individual's home and community.

~~(h)~~ (i) An individual under 65 years of age residing in a nursing facility shall receive a face-to-face assessment at least every 12 months to review the person's service choices and available alternatives unless the individual indicates, in writing, that annual visits are not desired. In this case, the individual must receive a face-to-face assessment at least once every 36 months for the same purposes.

~~(i)~~ (j) Notwithstanding the provisions of subdivision 6, the commissioner may pay county agencies directly for face-to-face assessments for individuals under 65 years of age who are being considered for placement or residing in a nursing facility.

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

Sec. 12. Minnesota Statutes 2001 Supplement, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. **[SERVICES COVERED UNDER ALTERNATIVE CARE.]** (a) Alternative care funding may be used for payment of costs of:

- (1) adult foster care;
- (2) adult day care;
- (3) home health aide;
- (4) homemaker services;
- (5) personal care;
- (6) case management;
- (7) respite care;
- (8) assisted living;
- (9) residential care services;
- (10) care-related supplies and equipment;
- (11) meals delivered to the home;
- (12) transportation;
- (13) skilled nursing;
- (14) chore services;
- (15) companion services;
- (16) nutrition services;
- (17) training for direct informal caregivers;
- (18) telemedicine devices to monitor recipients in their own homes as an alternative to hospital care, nursing home care, or home visits;
- (19) other services which includes discretionary funds and direct cash payments to clients, following approval by the commissioner, subject to the provisions of paragraph (j). Total annual payments for "other services" for all clients within a county may not exceed ~~either ten~~ 25 percent

of that county's annual alternative care program base allocation or \$5,000, whichever is greater. In no case shall this amount exceed the county's total annual alternative care program base allocation; and

(20) environmental modifications.

(b) The county agency must ensure that the funds are not used to supplant services available through other public assistance or services programs.

(c) Unless specified in statute, the service definitions and standards for alternative care services shall be the same as the service definitions and standards specified in the federally approved elderly waiver plan. Except for the county agencies' approval of direct cash payments to clients as described in paragraph (j) or for a provider of supplies and equipment when the monthly cost of the supplies and equipment is less than \$250, persons or agencies must be employed by or under a contract with the county agency or the public health nursing agency of the local board of health in order to receive funding under the alternative care program. Supplies and equipment may be purchased from a vendor not certified to participate in the Medicaid program if the cost for the item is less than that of a Medicaid vendor.

(d) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. The adult foster care rate shall be negotiated between the county agency and the foster care provider. The alternative care payment for the foster care service in combination with the payment for other alternative care services, including case management, must not exceed the limit specified in subdivision 4, paragraph (a), clause (6).

(e) Personal care services must meet the service standards defined in the federally approved elderly waiver plan, except that a county agency may contract with a client's relative who meets the relative hardship waiver requirement as defined in section 256B.0627, subdivision 4, paragraph (b), clause (10), to provide personal care services if the county agency ensures supervision of this service by a registered nurse or mental health practitioner.

(f) For purposes of this section, residential care services are services which are provided to individuals living in residential care homes. Residential care homes are currently licensed as board and lodging establishments and are registered with the department of health as providing special services under section 157.17 and are not subject to registration under chapter 144D. Residential care services are defined as "supportive services" and "health-related services." "Supportive services" means the provision of up to 24-hour supervision and oversight. Supportive services includes: (1) transportation, when provided by the residential care home only; (2) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature; (3) assisting clients in setting up meetings and appointments; (4) assisting clients in setting up medical and social services; (5) providing assistance with personal laundry, such as carrying the client's laundry to the laundry room. Assistance with personal laundry does not include any laundry, such as bed linen, that is included in the room and board rate. "Health-related services" are limited to minimal assistance with dressing, grooming, and bathing and providing reminders to residents to take medications that are self-administered or providing storage for medications, if requested. Individuals receiving residential care services cannot receive homemaking services funded under this section.

(g) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to clients who reside in the same apartment building of three or more units which are not subject to registration under chapter 144D and are licensed by the department of health as a class A home care provider or a class E home care provider. Assisted living services are defined as up to 24-hour supervision, and oversight, supportive services as defined in clause (1), individualized home care aide tasks as defined in clause (2), and individualized home management tasks as defined in clause (3) provided to residents of a residential center living in their units or apartments with a full kitchen and bathroom. A full kitchen includes a stove, oven, refrigerator, food preparation counter space, and a kitchen utensil storage compartment. Assisted living services must be provided by the management of the residential center or by providers under contract with the management or with the county.

(1) Supportive services include:

(i) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature;

(ii) assisting clients in setting up meetings and appointments; and

(iii) providing transportation, when provided by the residential center only.

(2) Home care aide tasks means:

(i) preparing modified diets, such as diabetic or low sodium diets;

(ii) reminding residents to take regularly scheduled medications or to perform exercises;

(iii) household chores in the presence of technically sophisticated medical equipment or episodes of acute illness or infectious disease;

(iv) household chores when the resident's care requires the prevention of exposure to infectious disease or containment of infectious disease; and

(v) assisting with dressing, oral hygiene, hair care, grooming, and bathing, if the resident is ambulatory, and if the resident has no serious acute illness or infectious disease. Oral hygiene means care of teeth, gums, and oral prosthetic devices.

(3) Home management tasks means:

(i) housekeeping;

(ii) laundry;

(iii) preparation of regular snacks and meals; and

(iv) shopping.

Individuals receiving assisted living services shall not receive both assisted living services and homemaking services. Individualized means services are chosen and designed specifically for each resident's needs, rather than provided or offered to all residents regardless of their illnesses, disabilities, or physical conditions. Assisted living services as defined in this section shall not be authorized in boarding and lodging establishments licensed according to sections 157.011 and 157.15 to 157.22.

(h) For establishments registered under chapter 144D, assisted living services under this section means either the services described in paragraph (g) and delivered by a class E home care provider licensed by the department of health or the services described under section 144A.4605 and delivered by an assisted living home care provider or a class A home care provider licensed by the commissioner of health.

(i) Payment for assisted living services and residential care services shall be a monthly rate negotiated and authorized by the county agency based on an individualized service plan for each resident and may not cover direct rent or food costs.

(1) The individualized monthly negotiated payment for assisted living services as described in paragraph (g) or (h), and residential care services as described in paragraph (f), shall not exceed the nonfederal share in effect on July 1 of the state fiscal year for which the rate limit is being calculated of the greater of either the statewide or any of the geographic groups' weighted average monthly nursing facility payment rate of the case mix resident class to which the alternative care eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, less the maintenance needs allowance as described in section 256B.0915, subdivision 1d, paragraph (a), until the first day of the state fiscal year in which a resident assessment system, under section 256B.437, of nursing home rate determination is implemented. Effective on the first day of the state fiscal year in which a resident assessment system, under section 256B.437, of nursing home

rate determination is implemented and the first day of each subsequent state fiscal year, the individualized monthly negotiated payment for the services described in this clause shall not exceed the limit described in this clause which was in effect on the last day of the previous state fiscal year and which has been adjusted by the greater of any legislatively adopted home and community-based services cost-of-living percentage increase or any legislatively adopted statewide percent rate increase for nursing facilities.

(2) The individualized monthly negotiated payment for assisted living services described under section 144A.4605 and delivered by a provider licensed by the department of health as a class A home care provider or an assisted living home care provider and provided in a building that is registered as a housing with services establishment under chapter 144D and that provides 24-hour supervision in combination with the payment for other alternative care services, including case management, must not exceed the limit specified in subdivision 4, paragraph (a), clause (6).

(j) A county agency may make payment from their alternative care program allocation for "other services" which include use of "discretionary funds" for services that are not otherwise defined in this section and direct cash payments to the client for the purpose of purchasing the services. The following provisions apply to payments under this paragraph:

(1) a cash payment to a client under this provision cannot exceed ~~80 percent~~ of the monthly payment limit for that client as specified in subdivision 4, paragraph (a), clause (6);

(2) a county may not approve any cash payment for a client who meets either of the following:

(i) has been assessed as having a dependency in orientation, unless the client has an authorized representative. An "authorized representative" means an individual who is at least 18 years of age and is designated by the person or the person's legal representative to act on the person's behalf. This individual may be a family member, guardian, representative payee, or other individual designated by the person or the person's legal representative, if any, to assist in purchasing and arranging for supports; or

(ii) is concurrently receiving adult foster care, residential care, or assisted living services;

(3) cash payments to a person or a person's family will be provided through a monthly payment and be in the form of cash, voucher, or direct county payment to a vendor. Fees or premiums assessed to the person for eligibility for health and human services are not reimbursable through this service option. Services and goods purchased through cash payments must be identified in the person's individualized care plan and must meet all of the following criteria:

(i) they must be over and above the normal cost of caring for the person if the person did not have functional limitations;

(ii) they must be directly attributable to the person's functional limitations;

(iii) they must have the potential to be effective at meeting the goals of the program;

(iv) they must be consistent with the needs identified in the individualized service plan. The service plan shall specify the needs of the person and family, the form and amount of payment, the items and services to be reimbursed, and the arrangements for management of the individual grant; and

(v) the person, the person's family, or the legal representative shall be provided sufficient information to ensure an informed choice of alternatives. The local agency shall document this information in the person's care plan, including the type and level of expenditures to be reimbursed;

(4) the county, lead agency under contract, or tribal government under contract to administer the alternative care program shall not be liable for damages, injuries, or liabilities sustained through the purchase of direct supports or goods by the person, the person's family, or the authorized representative with funds received through the cash payments under this section. Liabilities include, but are not limited to, workers' compensation, the Federal Insurance Contributions Act (FICA), or the Federal Unemployment Tax Act (FUTA);

(5) persons receiving grants under this section shall have the following responsibilities:

(i) spend the grant money in a manner consistent with their individualized service plan with the local agency;

(ii) notify the local agency of any necessary changes in the grant expenditures;

(iii) arrange and pay for supports; and

(iv) inform the local agency of areas where they have experienced difficulty securing or maintaining supports; and

(6) the county shall report client outcomes, services, and costs under this paragraph in a manner prescribed by the commissioner.

(k) Upon implementation of direct cash payments to clients under this section, any person determined eligible for the alternative care program who chooses a cash payment approved by the county agency shall receive the cash payment under this section and not under section 256.476 unless the person was receiving a consumer support grant under section 256.476 before implementation of direct cash payments under this section.

Sec. 13. Minnesota Statutes 2001 Supplement, section 256B.0915, subdivision 3, is amended to read:

Subd. 3. [LIMITS OF CASES, RATES, PAYMENTS, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(b) The monthly limit for the cost of waived services to an individual elderly waiver client shall be the weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, less the recipient's maintenance needs allowance as described in subdivision 1d, paragraph (a), until the first day of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented. Effective on the first day of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented and the first day of each subsequent state fiscal year, the monthly limit for the cost of waived services to an individual elderly waiver client shall be the rate of the case mix resident class to which the waiver client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, in effect on the last day of the previous state fiscal year, adjusted by the greater of any legislatively adopted home and community-based services cost-of-living percentage increase or any legislatively adopted statewide percent rate increase for nursing facilities.

(c) If extended medical supplies and equipment or environmental modifications are or will be purchased for an elderly waiver client, the costs may be prorated for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's waived services exceeds the monthly limit established in paragraph (b), the annual cost of all waived services shall be determined. In this event, the annual cost of all waived services shall not exceed 12 times the monthly limit of waived services as described in paragraph (b).

(d) For a person who is a nursing facility resident at the time of requesting a determination of eligibility for elderly waived services, a monthly conversion limit for the cost of elderly waived services may be requested. The monthly conversion limit for the cost of elderly waiver services shall be the resident class assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, for that resident in the nursing facility where the resident currently resides until July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented. Effective on July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented, the monthly conversion limit for the cost of elderly waiver services shall be the per diem nursing facility rate as determined by the resident assessment system as described in

section 256B.437 for that resident in the nursing facility where the resident currently resides multiplied by 365 and divided by 12, less the recipient's maintenance needs allowance as described in subdivision 1d. The initially approved conversion rate may be adjusted by the greater of any subsequent legislatively adopted home and community-based services cost-of-living percentage increase or any subsequent legislatively adopted statewide percentage rate increase for nursing facilities. The limit under this clause only applies to persons discharged from a nursing facility after a minimum 30-day stay and found eligible for waived services on or after July 1, 1997. The following costs must be included in determining the total monthly costs for the waiver client:

(1) cost of all waived services, including extended medical supplies and equipment and environmental modifications; and

(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

(e) Medical assistance funding for skilled nursing services, private duty nursing, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.

(f) A county is not required to contract with a provider of supplies and equipment if the monthly cost of the supplies and equipment is less than \$250.

(g) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. The adult foster care service rate shall be negotiated between the county agency and the foster care provider. The elderly waiver payment for the foster care service in combination with the payment for all other elderly waiver services, including case management, must not exceed the limit specified in paragraph (b).

(h) Payment for assisted living service shall be a monthly rate negotiated and authorized by the county agency based on an individualized service plan for each resident and may not cover direct rent or food costs.

(1) The individualized monthly negotiated payment for assisted living services as described in section 256B.0913, subdivision 5, paragraph (g) or (h), and residential care services as described in section 256B.0913, subdivision 5, paragraph (f), shall not exceed the nonfederal share, in effect on July 1 of the state fiscal year for which the rate limit is being calculated, of the greater of either the statewide or any of the geographic groups' weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, less the maintenance needs allowance as described in subdivision 1d, paragraph (a), until the July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented. Effective on July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented and July 1 of each subsequent state fiscal year, the individualized monthly negotiated payment for the services described in this clause shall not exceed the limit described in this clause which was in effect on June 30 of the previous state fiscal year and which has been adjusted by the greater of any legislatively adopted home and community-based services cost-of-living percentage increase or any legislatively adopted statewide percent rate increase for nursing facilities.

(2) The individualized monthly negotiated payment for assisted living services described in section 144A.4605 and delivered by a provider licensed by the department of health as a class A home care provider or an assisted living home care provider and provided in a building that is registered as a housing with services establishment under chapter 144D and that provides 24-hour supervision in combination with the payment for other elderly waiver services, including case management, must not exceed the limit specified in paragraph (b).

(i) The county shall negotiate individual service rates with vendors and may authorize payment for actual costs up to the county's current approved rate. Persons or agencies must be employed by or under a contract with the county agency or the public health nursing agency of the local board

of health in order to receive funding under the elderly waiver program, except as a provider of supplies and equipment when the monthly cost of the supplies and equipment is less than \$250.

(j) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.

(k) To improve access to community services and eliminate payment disparities between the alternative care program and the elderly waiver, the commissioner shall establish statewide maximum service rate limits and eliminate county-specific service rate limits.

(1) Effective July 1, 2001, for service rate limits, except those described or defined in paragraphs (g) and (h), the rate limit for each service shall be the greater of the alternative care statewide maximum rate or the elderly waiver statewide maximum rate.

(2) Counties may negotiate individual service rates with vendors for actual costs up to the statewide maximum service rate limit.

(l) Beginning July 1, 1991, the state shall reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who are receiving medical assistance.

Sec. 14. Minnesota Statutes 2001 Supplement, section 256B.0924, subdivision 6, is amended to read:

Subd. 6. [PAYMENT FOR TARGETED CASE MANAGEMENT.] (a) Medical assistance and MinnesotaCare payment for targeted case management shall be made on a monthly basis. In order to receive payment for an eligible adult, the provider must document at least one contact per month and not more than two consecutive months without a face-to-face contact with the adult or the adult's legal representative, family, primary caregiver, or other relevant persons identified as necessary to the development or implementation of the goals of the personal service plan.

(b) Payment for targeted case management provided by county staff under this subdivision shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one combined average rate together with adult mental health case management under section 256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate for case management under this section shall be the same as the rate for adult mental health case management in effect as of December 31, 2001. Billing and payment must identify the recipient's primary population group to allow tracking of revenues.

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

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

(e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for targeted case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds.

(f) The commissioner may suspend, reduce, or terminate reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal disallowances. The county may share this responsibility with its contracted vendors.

(g) The commissioner shall set aside five percent of the federal funds received under this section for use in reimbursing the state for costs of developing and implementing this section.

(h) Notwithstanding section 256.025, subdivision 2, payments to counties for targeted case management expenditures under this section shall only be made from federal earnings from services provided under this section. Payments to contracted vendors shall include both the federal earnings and the county share.

(i) Notwithstanding section 256B.041, county payments for the cost of case management services provided by county staff shall not be made to the state treasurer. For the purposes of targeted case management services provided by county staff under this section, the centralized disbursement of payments to counties under section 256B.041 consists only of federal earnings from services provided under this section.

(j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for targeted case management services under this subdivision is limited to the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year.

(k) Payment for targeted case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(l) Any growth in targeted case management services and cost increases under this section shall be the responsibility of the counties.

Sec. 15. Minnesota Statutes 2001 Supplement, section 256B.0951, subdivision 7, is amended to read:

Subd. 7. [WAIVER OF RULES.] If a federal waiver is approved under subdivision 8, the commissioner of health may exempt residents of intermediate care facilities for persons with mental retardation (ICFs/MR) who participate in the three-year alternative quality assurance pilot project established in section 256B.095 from the requirements of Minnesota Rules, chapter 4665; upon approval by the federal government of a waiver of federal certification requirements for ICFs/MR.

Sec. 16. Minnesota Statutes 2001 Supplement, section 256B.0951, subdivision 8, is amended to read:

Subd. 8. [FEDERAL WAIVER.] The commissioner of human services shall seek federal authority to waive provisions of intermediate care facilities for persons with mental retardation (ICFs/MR) regulations to enable the demonstration and evaluation of the alternative quality assurance system for ICFs/MR under the project. The commissioner of human services shall apply for any necessary waivers as soon as practicable. a federal waiver to allow intermediate care facilities for persons with mental retardation (ICFs/MR) in region 10 of Minnesota to participate in the alternative licensing system. If it is necessary for purposes of participation in this alternative licensing system for a facility to be decertified as an ICF/MR facility according to the terms of the federal waiver, when the facility seeks recertification under the provisions of ICF/MR regulations at the end of the demonstration project, it will not be considered a new ICF/MR as defined under section 252.291 provided the licensed capacity of the facility did not increase during its participation in the alternative licensing system. The provisions of sections 252.82, 252.292, and 256B.5011 to 256B.5015 will remain applicable for counties in region 10 of Minnesota and the ICFs/MR located within those counties notwithstanding a county's participation in the alternative licensing system.

Sec. 17. Minnesota Statutes 2001 Supplement, section 256B.437, subdivision 6, is amended to read:

Subd. 6. [PLANNED CLOSURE RATE ADJUSTMENT.] (a) The commissioner of human services shall calculate the amount of the planned closure rate adjustment available under subdivision 3, paragraph (b), for up to 5,140 beds according to clauses (1) to (4):

- (1) the amount available is the net reduction of nursing facility beds multiplied by \$2,080;
- (2) the total number of beds in the nursing facility or facilities receiving the planned closure rate adjustment must be identified;
- (3) capacity days are determined by multiplying the number determined under clause (2) by 365; and
- (4) the planned closure rate adjustment is the amount available in clause (1), divided by capacity days determined under clause (3).

(b) A planned closure rate adjustment under this section is effective on the first day of the month following completion of closure of the facility designated for closure in the application and becomes part of the nursing facility's total operating payment rate.

(c) Applicants may use the planned closure rate adjustment to allow for a property payment for a new nursing facility or an addition to an existing nursing facility or as an operating payment rate adjustment. Applications approved under this subdivision are exempt from other requirements for moratorium exceptions under section 144A.073, subdivisions 2 and 3.

(d) Upon the request of a closing facility, the commissioner must allow the facility a closure rate adjustment as provided under section 144A.161, subdivision 10.

(e) A facility that has received a planned closure rate adjustment may reassign it to another facility that is under the same ownership at any time within three years of its effective date. The amount of the adjustment shall be computed according to paragraph (a).

(f) If the per bed dollar amount specified in paragraph (a), clause (1), is increased, the commissioner shall recalculate planned closure rate adjustments for facilities that delicense beds under this section on or after July 1, 2001, to reflect the increase in the per bed dollar amount. The recalculated planned closure rate adjustment shall be effective from the date the per bed dollar amount is increased.

Sec. 18. Minnesota Statutes 2000, section 326.01, is amended by adding a subdivision to read:

Subd. 9a. [RESTRICTED PLUMBING CONTRACTOR.] A "restricted plumbing contractor" is any person skilled in the planning, superintending, and practical installation of plumbing who is otherwise lawfully qualified to contract for plumbing and installations and to conduct the business of plumbing, who is familiar with the laws and rules governing the business of plumbing, and who performs the plumbing trade in cities and towns with a population of fewer than 5,000 according to federal census.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 19. Minnesota Statutes 2000, section 326.37, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The state commissioner of health ~~may shall~~, by rule, prescribe minimum uniform standards ~~which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located.~~ Notwithstanding the provisions of Minnesota Rules, part 4715.3130, as they apply to review of plans and specifications, the commissioner may allow plumbing construction, alteration, or extension to proceed without approval of the plans or specifications by the commissioner.

The commissioner shall administer the provisions of sections 326.37 to 326.45 326.451 and for such purposes may employ plumbing inspectors and other assistants.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 20. Minnesota Statutes 2000, section 326.37, is amended by adding a subdivision to read:

Subd. 1a. [INSPECTION.] All new plumbing installations, including additions, extensions, alterations, and replacements, shall be inspected by the commissioner for compliance with accepted standards of construction for health, safety to life and property, and compliance with applicable codes. The department of health shall have full implementation of its inspections plan in place and operational July 1, 2005. This subdivision does not apply where a political subdivision requires, by ordinance, plumbing inspections similar to the requirements of this subdivision.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 21. Minnesota Statutes 2001 Supplement, section 326.38, is amended to read:

326.38 [LOCAL REGULATIONS.]

Any city having a system of waterworks or sewerage, or any town in which reside over 5,000 people exclusive of any statutory cities located therein, or the metropolitan airports commission, may, by ordinance, adopt local regulations providing for plumbing permits, bonds, approval of plans, and inspections of plumbing, which regulations are not in conflict with the plumbing standards on the same subject prescribed by the state commissioner of health. No city or such town shall prohibit plumbers licensed by the state commissioner of health from engaging in or working at the business, except cities and statutory cities which, prior to April 21, 1933, by ordinance required the licensing of plumbers. No city or such town shall require a license for persons performing building sewer or water service installation who have completed pipe laying training as prescribed by the state commissioner of health. Any city by ordinance may prescribe regulations, reasonable standards, and inspections and grant permits to any person, firm, or corporation engaged in the business of installing water softeners, who is not licensed as a master plumber or journeyman plumber by the state commissioner of health, to connect water softening and water filtering equipment to private residence water distribution systems, where provision has been previously made therefor and openings left for that purpose or by use of cold water connections to a domestic water heater; where it is not necessary to rearrange, make any extension or alteration of, or addition to any pipe, fixture or plumbing connected with the water system except to connect the water softener, and provided the connections so made comply with minimum standards prescribed by the state commissioner of health.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 22. Minnesota Statutes 2000, section 326.40, subdivision 1, is amended to read:

~~Subdivision 1. [PLUMBERS MUST BE LICENSED IN CERTAIN CITIES; MASTER AND JOURNEYMAN PLUMBERS MASTER, JOURNEYMAN, AND RESTRICTED PLUMBING CONTRACTORS; PLUMBING ON ONE'S OWN PREMISES; RULES FOR EXAMINATION.] In any city now or hereafter having 5,000 or more population, according to the last federal census, and having a system of waterworks or sewerage, no person, firm, or corporation shall engage in or work at the business of a master plumber or journeyman plumber unless licensed to do so by the state commissioner of health. No person, firm, or corporation shall engage in or work at the business of a master plumber, restricted plumbing contractor, or journeyman plumber unless licensed to do so by the state commissioner of health under sections 326.37 to 326.451. A license is not required for:~~

(1) persons performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner of health; or

(2) persons selling an appliance plumbing installation service at point of sale if the installation work is performed by a plumber licensed under sections 326.37 to 326.451.

A master plumber may also work as a journeyman plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum standard prescribed by the

state commissioner of health on premises or that part of premises owned and actually occupied by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

~~In any such city~~ No person, firm, or corporation shall engage in the business of installing plumbing nor install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber or restricted plumbing contractor, who shall be responsible for proper installation, is in charge of the plumbing work of the person, firm, or corporation.

The department of health shall prescribe rules, not inconsistent herewith, for the examination and licensing of plumbers.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 23. [326.402] [RESTRICTED PLUMBING CONTRACTOR LICENSE.]

Subdivision 1. [LICENSURE.] The commissioner shall grant a restricted plumbing contractor license to any person who applies to the commissioner and provides evidence of having at least two years of practical plumbing experience in the plumbing trade preceding application for licensure.

Subd. 2. [USE OF LICENSE.] A restricted plumbing contractor may engage in the plumbing trade only in cities and towns with a population of fewer than 5,000 according to federal census.

Subd. 3. [APPLICATION PERIOD.] Applications for restricted plumbing contractor licenses must be submitted to the commissioner prior to January 1, 2004.

Subd. 4. [USE PERIOD FOR RESTRICTED PLUMBING CONTRACTOR LICENSE.] A restricted plumbing contractor license does not expire and remains in effect for as long as that person engages in the plumbing trade.

Subd. 5. [PROHIBITION OF TRANSFERENCE.] A restricted plumbing contractor license must not be transferred or sold to any other person.

Subd. 6. [RESTRICTED PLUMBING CONTRACTOR LICENSE RENEWAL.] The commissioner shall adopt rules for renewal of the restricted plumbing contractor license.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 24. [326.451] [INSPECTORS.]

(a) The commissioner shall set all reasonable criteria and procedures by rule for inspector certification, certification period, examinations, examination fees, certification fees, and renewal of certifications.

(b) The commissioner shall adopt reasonable rules establishing criteria and procedures for refusal to grant or renew inspector certifications, and for suspension and revocation of inspector certifications.

(c) The commissioner shall refuse to renew or grant inspector certifications, or suspend or revoke inspector certifications, in accordance with the commissioner's criteria and procedures as adopted by rule.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 25. [CASE MANAGEMENT STUDY.]

The commissioner of human services, in consultation with consumers, providers, consumer advocates, and local social service agencies, shall study case management services for persons with disabilities. The commissioner must report to the chairs and ranking minority members of the senate and the house of representatives committees having jurisdiction over human services issues by January 15, 2003, on strategies that:

- (1) streamline administration;
- (2) improve case management service availability across the state;
- (3) enhance consumer access to needed services and supports;
- (4) improve accountability and the use of performance measures;
- (5) provide for consumer choice of vendor; and
- (6) improve the financing of case management services.

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

Sec. 26. [REVISOR INSTRUCTION.]

The revisor of statutes shall change all references to section 326.45 to section 326.451 in Minnesota Statutes, sections 144.99, 326.44, 326.61, and 326.65.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 27. [REPEALER.]

Minnesota Statutes 2000, section 326.45, is repealed.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

ARTICLE 2

TANF

Section 1. Minnesota Statutes 2001 Supplement, section 256J.425, is amended by adding a subdivision to read:

Subd. 1b. [TEMPORARY EXTENSION.] (a) A temporary extension on assistance applies to participants who are:

(i) not in sanction status in the 60th month of receiving assistance and are following the work search and other requirements in their plan; and

(ii) have not obtained sufficient employment that results in a wage that is equal to or exceeds 120 percent of the federal poverty guidelines for a family of the same size.

(b) All notices and information provided to participants under this chapter related to the 60-month time limit must include an explanation of the extension of the 60-month time limit under paragraph (a).

(c) This subdivision expires on June 30, 2004.

Sec. 2. Minnesota Statutes 2001 Supplement, section 256J.425, subdivision 3, is amended to read:

Subd. 3. [HARD-TO-EMPLOY PARTICIPANTS.] An assistance unit subject to the time limit in section 256J.42, subdivision 1, in which any participant has received 60 counted months of assistance, is eligible to receive months of assistance under a hardship extension if the participant belongs to any of the following groups:

(1) a person who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining unsubsidized employment;

(2) a person who:

(i) has been assessed by a vocational specialist or the county agency to be unemployable for purposes of this subdivision; or

(ii) has an IQ below 80 who has been assessed by a vocational specialist or a county agency to be employable, but not at a level that makes the participant eligible for an extension under subdivision 4 or, in the case of a non-English-speaking person for whom it is not possible to provide a determination due to language barriers or absence of culturally appropriate assessment tools, is determined by a qualified professional to have an IQ below 80. A person is considered employable if positions of employment in the local labor market exist, regardless of the current availability of openings for those positions, that the person is capable of performing; or

(3) a person who is determined by the county agency to be learning disabled or, in the case of a non-English-speaking person for whom it is not possible to provide a medical diagnosis due to language barriers or absence of culturally appropriate assessment tools, is determined by a qualified professional to have a learning disability. If a rehabilitation plan for the person is developed or approved by the county agency, the plan must be incorporated into the employment plan. However, a rehabilitation plan does not replace the requirement to develop and comply with an employment plan under section 256J.52. For purposes of this section, "learning disabled" means the applicant or recipient has a disorder in one or more of the psychological processes involved in perceiving, understanding, or using concepts through verbal language or nonverbal means. The disability must severely limit the applicant or recipient in obtaining, performing, or maintaining suitable employment. Learning disabled does not include learning problems that are primarily the result of visual, hearing, or motor handicaps; mental retardation; emotional disturbance; or due to environmental, cultural, or economic disadvantage; or

(4) a person who is a victim of family violence as defined in section 256J.49, subdivision 2, and who is participating in an alternative employment plan under section 256J.49, subdivision 1a.

Sec. 3. Minnesota Statutes 2001 Supplement, section 256J.425, subdivision 4, is amended to read:

Subd. 4. [EMPLOYED PARTICIPANTS.] (a) An assistance unit subject to the time limit under section 256J.42, subdivision 1, in which any participant has received 60 months of assistance, is eligible to receive assistance under a hardship extension if the participant belongs to:

(1) a one-parent assistance unit in which the participant is participating in work activities for at least 30 hours per week, of which an average of at least 25 hours per week every month are spent participating in employment; or

(2) a two-parent assistance unit in which the participants are participating in work activities for at least 55 hours per week, of which an average of at least 45 hours per week every month are spent participating in employment; or

(3) an assistance unit in which a participant is participating in employment for fewer hours than those specified in clause (1), provided the participant submits verification from a health care provider, in a form acceptable to the commissioner, stating that the number of hours the participant may work is limited due to illness or disability, as long as the participant is participating in employment for at least the number of hours specified by the health care provider. The participant must be following the treatment recommendations of the health care provider providing the verification. The commissioner shall develop a form to be completed and signed by the health care provider, documenting the diagnosis and any additional information necessary to document the functional limitations of the participant that limit work hours. If the participant is part of a two-parent assistance unit, the other parent must be treated as a one-parent assistance unit for purposes of meeting the work requirements under this subdivision.

For purposes of this section, employment means:

- (1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);
- (2) subsidized employment under section 256J.49, subdivision 13, clause (2);
- (3) on-the-job training under section 256J.49, subdivision 13, clause (4);
- (4) an apprenticeship under section 256J.49, subdivision 13, clause (19);

(5) supported work. For purposes of this section, "supported work" means services supporting a participant on the job which include, but are not limited to, supervision, job coaching, and subsidized wages;

(6) a combination of (1) to (5); or

(7) child care under section 256J.49, subdivision 13, clause (25), if it is in combination with paid employment.

(b) If a participant is complying with a child protection plan under chapter 260C, the number of hours required under the child protection plan count toward the number of hours required under this subdivision.

(c) The county shall provide the opportunity for subsidized employment to participants needing that type of employment within available appropriations.

(d) To be eligible for a hardship extension for employed participants under this subdivision, a participant in a one-parent assistance unit or both parents in a two-parent assistance unit must be in compliance for at least ten out of the 12 months immediately preceding the participant's 61st month on assistance. If only one parent in a two-parent assistance unit fails to be in compliance ten out of the 12 months immediately preceding the participant's 61st month, the county shall give the assistance unit the option of disqualifying the noncompliant parent. If the noncompliant participant is disqualified, the assistance unit must be treated as a one-parent assistance unit for the purposes of meeting the work requirements under this subdivision and the assistance unit's MFIP grant shall be calculated using the shared household standard under section 256J.08, subdivision 82a.

(e) The employment plan developed under section 256J.52, subdivision 5, for participants under this subdivision must contain the number of hours specified in paragraph (a) related to employment and work activities. The job counselor and the participant must sign the employment plan to indicate agreement between the job counselor and the participant on the contents of the plan.

(f) Participants who fail to meet the requirements in paragraph (a), without good cause under section 256J.57, shall be sanctioned or permanently disqualified under subdivision 6. Good cause may only be granted for that portion of the month for which the good cause reason applies. Participants must meet all remaining requirements in the approved employment plan or be subject to sanction or permanent disqualification.

(g) If the noncompliance with an employment plan is due to the involuntary loss of employment, the participant is exempt from the hourly employment requirement under this subdivision for one month. Participants must meet all remaining requirements in the approved employment plan or be subject to sanction or permanent disqualification. This exemption is available to one-parent assistance units two times in a 12-month period, and two-parent assistance units, two times per parent in a 12-month period.

(h) This subdivision expires on June 30, 2004.

Sec. 4. Minnesota Statutes 2001 Supplement, section 256J.425, subdivision 5, is amended to read:

Subd. 5. [ACCRUAL OF CERTAIN EXEMPT MONTHS.] (a) A participant who received TANF assistance that counted towards the federal 60-month time limit while the participant was exempt under section 256J.56, paragraph (a), clause (7), from employment and training services requirements and who is no longer eligible for assistance under a hardship extension under subdivision 2, paragraph (a), clause (3), is eligible for assistance under a hardship extension for a period of time equal to the number of months that were counted toward the federal 60-month time limit while the participant was exempt under section 256J.56, paragraph (a), clause (7), from the employment and training services requirements.

(b) A participant who received TANF assistance that counted towards the federal 60-month time limit while the participant met the state time limit exemption criteria under section 256J.42,

subdivision 4 or 5, is eligible for assistance under a hardship extension for a period of time equal to the number of months that were counted toward the federal 60-month time limit while the participant met the state time limit exemption criteria under section 256J.42, subdivision 5.

(c) A participant who received TANF assistance that counted towards the federal 60-month time limit while the participant was exempt under section 256J.56, paragraph (a), clause (3), from employment and training services requirements, who demonstrates at the time of the case review required under section 256J.42, subdivision 6, that the participant met the criteria for exemption from employment and training services requirements listed under section 256J.56, paragraph (a), clause (7), during one or more months the participant was exempt under section 256J.56, paragraph (a), clause (3), before or after July 1, 2000, is eligible for assistance under a hardship extension for a period of time equal to the number of months that were counted toward the federal 60-month time limit during the time the participant met the criteria of section 256J.56, paragraph (a), clause (7). At the time of the case review required under section 256J.42, subdivision 6, a county agency or job counselor must explain to the participant the basis for receiving a hardship extension based on the accrual of exempt months. The participant must document the information necessary to enable the county agency or job counselor to determine whether the participant is eligible to receive a hardship extension based on the accrual of exempt months or authorize the county agency to verify the information.

Sec. 5. Minnesota Statutes 2001 Supplement, section 256J.425, subdivision 6, is amended to read:

Subd. 6. [SANCTIONS FOR EXTENDED CASES.] (a) If one or both participants in an assistance unit receiving assistance under subdivision 1b, 3, or 4 are not in compliance with the employment and training service requirements in sections 256J.52 to 256J.55, the sanctions under this subdivision apply. For a first occurrence of noncompliance, an assistance unit must be sanctioned under section 256J.46, subdivision 1, paragraph (d), clause (1). For a second or third occurrence of noncompliance, the assistance unit must be sanctioned under section 256J.46, subdivision 1, paragraph (d), clause (2). For

(b) Beginning July 1, 2004, and for fourth occurrences of noncompliance that occur on or after July 1, 2004, a fourth occurrence of noncompliance, results in the assistance unit is being disqualified from MFIP. If a participant is determined to be out of compliance, the participant may claim a good cause exception under section 256J.57, however, the participant may not claim an exemption under section 256J.56.

~~(b)~~ (c) If both participants in a two-parent assistance unit are out of compliance at the same time, it is considered one occurrence of noncompliance.

Sec. 6. [HEALTH AND HUMAN SERVICES WORKER PROGRAM.]

The unobliged balance for the health care and human services worker training and retention program under Minnesota Statutes, section 116L.10, as of January 1, 2002, is canceled.

Notwithstanding Laws 2000, chapter 488, article 1, section 16, paragraph (c), unexpended TANF funds appropriated for the health care and human services worker training and retention program cancel at the end of each biennium.

Sec. 7. [PATHWAYS PROGRAM.]

Temporary assistance to needy families funding for the pathways program under Laws 1999, chapter 223, article 1, section 2, subdivision 2, and Laws 2000, chapter 488, article 1, section 16, subdivision (b), is eliminated as of July 1, 2002.

Sec. 8. [FISCAL 2003 TANF MAINTENANCE OF EFFORT.]

The commissioner of human services must assure that the maintenance of effort amount used in the MFIP forecast of November 2002 and February 2003 is not less than \$188,937,000 with respect to fiscal year 2003.

Sec. 9. [APPROPRIATION.]

(a) \$6,095,000 is appropriated from the federal TANF fund to the commissioner of human services for the biennium ending June 30, 2003, for purposes of sections 1 to 4. Of this appropriation, \$2,137,000 is for child care costs associated with sections 1 to 4. The commissioner of human services shall transfer 80 percent of the child care funds, or \$1,710,000, to the federal child care and development fund block grant, and the remaining funds shall be transferred to the federal child care and development fund block grant based on a demonstrated need by the commissioner of children, families, and learning.

(b) \$1,450,000 is appropriated from the federal TANF fund to the commissioner of human services for fiscal year 2003 to increase the amount of funds available for reallocation under Minnesota Statutes, section 256J.76, subdivision 4. If funds available for reallocation are insufficient to reimburse those counties that have eligible expenditures in excess of their allocations, the funds available for reallocation must be apportioned among those counties with excess expenditures in proportion to their share of the excess expenditures. These funds must become part of the fiscal year 2004-2005 base."

Delete the title and insert:

"A bill for an act relating to human services; allowing the ombudsman for corrections to apply for or receive certain grants; making changes to continuing care programs; modifying case manager continuing education requirements; adding an exemption from preadmission screening requirements; modifying targeted case management client contact requirements; requiring a case management services study; modifying planned closure rate adjustment provisions; correcting inconsistencies in mental health services coverage in border states; requiring plumbers to be licensed; establishing inspection requirements for new plumbing installations; allowing the commissioner to charge fees to hire staff; licensing restricted plumbing contractors; requiring rulemaking; expanding MFIP hardship extensions; amending Minnesota Statutes 2000, sections 241.44, by adding a subdivision; 245.462, subdivision 4; 245.4871, subdivision 4; 245.50, subdivisions 1, 2, 5; 326.01, by adding a subdivision; 326.37, subdivision 1, by adding a subdivision; 326.40, subdivision 1; Minnesota Statutes 2001 Supplement, sections 144.122; 144.148, subdivision 2; 256B.0627, subdivision 10; 256B.0911, subdivisions 4b, 4d; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.0924, subdivision 6; 256B.0951, subdivisions 7, 8; 256B.437, subdivision 6; 256J.425, subdivisions 3, 4, 5, 6, by adding a subdivision; 326.38; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 2000, section 326.45."

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

SECOND READING OF SENATE BILLS

S.F. No. 3099 was read the second time.

RECESS

Senator Hottinger moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 3174: Senators Kelley, S.P.; Moua and Lesewski.

Senator Hottinger moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Moe, R.D. moved that H.F. No. 3618 be taken from the table. The motion prevailed.

H.F. No. 3618: A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; requiring certain studies and reports; authorizing sale of state bonds; canceling earlier appropriations and reducing bond authorizations; making technical corrections; making changes to statutes related to administration of the state's capital improvement program; requiring an inventory of state-owned land; providing a certain exemption from any moratorium on state professional or technical contracts; authorizing a lease of certain Minneapolis park and recreation board land; modifying the wastewater infrastructure program; establishing a local road improvement account; prohibiting any action on the Dan Patch Commuter Rail Line; establishing a multiagency working group on mitigation of effects of DM&E rail project in southern Minnesota; authorizing the purchase of certain state park inholdings; appropriating money; amending Minnesota Statutes 2000, sections 13.462, subdivision 2; 16A.11, subdivision 6; 16A.501; 16A.86, subdivision 3; 16B.335, subdivision 3; 119A.45; 446A.072, subdivisions 1, 3, 6, 7, 8, 9, 11, 12, by adding subdivisions; Laws 1998, chapter 404, section 18, subdivision 4; Laws 2000, chapter 492, article 1, section 12, subdivision 7; Laws 2000, chapter 492, article 1, section 15, subdivision 4; Laws 2000, chapter 492, article 1, section 22, subdivisions 3, as amended, 4; Laws 2000, chapter 492, article 1, section 27; Laws 2001, First Special Session chapter 12, section 10; proposing coding for new law in Minnesota Statutes, chapters 16B; 174; repealing Minnesota Statutes 2000, section 446A.072, subdivisions 2, 4, 5, 10, 13.

SUSPENSION OF RULES

Senator Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 3618 and that the rules of the Senate be so far suspended as to give H.F. No. 3618 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 3618 was read the second time.

Senator Langseth moved to amend H.F. No. 3618 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CAPITAL IMPROVEMENT APPROPRIATIONS.]

The sums in the column under "APPROPRIATIONS" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned. Appropriations for asset preservation are available until June 30, 2004.

SUMMARY

UNIVERSITY OF MINNESOTA	\$219,101,000
MINNESOTA STATE COLLEGES AND UNIVERSITIES	266,563,000
PERPICH CENTER FOR ARTS EDUCATION	3,155,000
CHILDREN, FAMILIES, AND LEARNING	65,955,000

MINNESOTA STATE ACADEMIES	4,896,000
NATURAL RESOURCES	117,172,000
POLLUTION CONTROL AGENCY	11,500,000
OFFICE OF ENVIRONMENTAL ASSISTANCE	3,450,000
BOARD OF WATER AND SOIL RESOURCES	14,800,000
AGRICULTURE	15,292,000
ZOOLOGICAL GARDENS	10,184,000
ADMINISTRATION	104,467,000
CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	2,879,000
AMATEUR SPORTS COMMISSION	6,250,000
ARTS	36,500,000
MILITARY AFFAIRS	4,857,000
TRANSPORTATION	67,646,000
METROPOLITAN COUNCIL	28,000,000
COMMERCE	5,000,000
HEALTH	775,000
HUMAN SERVICES	24,838,000
VETERANS HOMES BOARD	17,344,000
CORRECTIONS	31,843,000
TRADE AND ECONOMIC DEVELOPMENT	116,375,000
IRON RANGE RESOURCES AND REHABILITATION	1,800,000
HOUSING FINANCE AGENCY	10,000,000
MINNESOTA HISTORICAL SOCIETY	9,143,000
BOND SALE EXPENSES	1,066,000
CANCELLATIONS	(2,388,000)
TOTAL	\$1,198,463,000
Bond Proceeds Fund (General Fund Debt Service)	1,076,078,000
Bond Proceeds Fund (User Financed Debt Service)	120,127,000
General Fund	4,646,000
General Fund Cancellations	(2,388,000)

APPROPRIATIONS

\$

Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. To the board of regents of the University of Minnesota for the purposes specified in this section	219,101,000
Subd. 2. Higher Education Asset Preservation and Replacement	80,000,000

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

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

The board of regents may use the design-build method for implementing the Jones Hall project.

Subd. 3. Twin Cities - Minneapolis

(a) Nicholson Hall

24,000,000

To design, renovate, furnish, and equip Nicholson Hall, including complete renovation of the original building and demolition of the 1925 wing and 1946 auditorium.

(b) Mineral Resources Research Center

16,400,000

To design, renovate, furnish, and equip the Mineral Resources Research Center.

This appropriation is not available until the commissioner of finance has determined that at least \$2,000,000 has been committed from nonstate sources.

The board of regents may use the design-build method for implementing this project.

(c) Translational Research Facility

24,700,000

To design, construct, furnish, and equip the Translational Research Facility, an addition to the Lyons Research Lab building on the Minneapolis campus.

This appropriation is not available until the commissioner of finance has determined that at least \$12,300,000 has been committed from nonstate sources.

The board of regents may use the design-build method for implementing this project.

(d) Teaching and Technology Center

3,000,000

To predesign and design a teaching and technology center for the Institute of Technology.

(e) Northrup Auditorium Renovation

2,000,000

To design the renovation of Northrup Memorial Auditorium.

Subd. 4. Twin Cities - St. Paul

(a) Plant Growth Facilities - Phase 2

18,700,000

To complete the containment greenhouse, replace the teaching and research greenhouses, demolish the northwest greenhouses, and renovate the remaining greenhouses to meet current code requirements.

(b) Veterinary Diagnostic Laboratory

1,500,000

To renovate and upgrade the veterinary diagnostic laboratory to provide additional laboratory space for a veterinary molecular diagnostic laboratory. The renovation and upgrade must include space for molecular diagnostic testing for paratuberculosis (Johne's disease), porcine reproductive and respiratory syndrome virus in swine, avian pneumovirus in turkeys, bovine mastitis, and emerging and foreign animal diseases.

Subd. 5. Crookston

Replace Bede Hall

7,701,000

To demolish Bede Hall and to design, construct, furnish, and equip a replacement facility.

Subd. 6. Duluth

Laboratory Science Building

25,500,000

To design, construct, furnish, and equip a new laboratory science building to meet the needs of the chemistry and biology programs.

This appropriation is not available until the commissioner of finance has determined that at least \$7,500,000 has been committed from nonstate sources.

Subd. 7. Morris

8,600,000

To design, renovate, furnish, and equip the social science building to correct building code deficiencies, remodel the interior, install new windows, upgrade the building's mechanical and electrical systems, replace the roof, and construct an addition over the existing auditorium wing to create space for faculty offices, and to install fire protection systems in three student housing facilities.

This appropriation is not available until the commissioner of finance has determined that at least \$400,000 has been committed from nonstate sources.

Subd. 8. Classroom Improvements

4,000,000

To design, renovate, furnish, and equip approximately 45 classrooms on all four University of Minnesota campuses. Projects will focus on installing basic technology infrastructure, such as video projection and Internet access, improving disability access, and making basic improvements to enhance the classroom learning environment. Priority must be given to high-use undergraduate classrooms.

Subd. 9. Research and Outreach Centers

3,000,000

To acquire land and design, construct, furnish and equip facilities at research and outreach centers. Projects funded by this appropriation include:

(1) construction of research laboratory and office space at the Northwest ROC at Crookston;

(2) construction of an addition to the aspen/larch genetics laboratory at the North Central ROC at Grand Rapids and acquisition of land for the development of two test planting sites to conduct research on fast growing trees;

(3) construction of a building at the North Central ROC at Grand Rapids to accommodate the farm machinery repair, maintenance, and carpentry shops; and

(4) construction of an addition to the administration building at the Southern ROC at Waseca.

Subd. 10. Debt Service

(a) The board of regents shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement, and except that, where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. After each sale of general obligation bonds, the commissioner of finance shall notify the board of regents of the amounts assessed for each year for the life of the bonds.

(b) The commissioner shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be

paid by the board. The board shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 11. Minnesota Goods and Services

The board of regents of the University of Minnesota shall make a reasonable attempt to give preference to construction contractors who employ Minnesota residents and to purchase products manufactured in Minnesota for use in construction projects undertaken through a design-build process.

Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES

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

266,563,000

Subd. 2. Higher Education Asset Preservation and Replacement

35,885,000

This appropriation is for the purposes specified in Minnesota Statutes, section 135A.046, including safety and statutory compliance, envelope integrity, mechanical systems, and space restoration.

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

Subd. 3. Roof Replacement

33,264,000

To replace roofs in accordance with Minnesota Statutes, section 135A.046.

Subd. 4. Mechanical, Electrical, and Infrastructure Systems	30,851,000
To replace major mechanical, electrical, and infrastructure systems in accordance with Minnesota Statutes, section 135A.046.	
Subd. 5. Alexandria Technical College	9,150,000
To construct, furnish, and equip a smart classroom and computer laboratory building, including an auditorium, connected to the college's office education building.	
Subd. 6. Bemidji State University	1,000,000
To design the colocation of the emerging technologies and health care programs of Bemidji state university and Northwest technical college.	
Subd. 7. Century Community and Technical College	1,500,000
To purchase the transition wing of intermediate district No. 916 and design renovation of space for expansion of the computer center, offices, and smart classrooms.	
Subd. 8. Dakota Technical College	500,000
To design the renovation of the west side of the main campus facility to create an information technology and telecommunications center of excellence and an integrated library and library information technology center.	
Subd. 9. Fergus Falls Community College	760,000
To design, construct, furnish, and equip an expansion of the existing maintenance shop.	
To design an addition to link Administration and Fine Arts to provide a one-stop student service shop, smart classrooms, open computer laboratories; design renovation to provide space for technology support next to the library; and design asset preservation work.	
Subd. 10. Hennepin Technical College	3,500,000
To design, renovate, furnish, and equip existing space at the Brooklyn Park and Eden Prairie campuses and realign the driveway at Brooklyn Park.	
Subd. 11. Inver Hills Community College	500,000
To design renovation of existing space and construction of an addition to create a one-stop student services shop; enlarge and colocate	

central services, the bookstore, and a new loading dock; upgrade mechanical systems; and provide a welcoming front door and help desk for the campus.

Subd. 12. Lake Superior Community and Technical College 700,000

To design a student center addition to house a consolidated system of student services, smart classrooms, and open laboratories.

Subd. 13. Metropolitan State University 17,442,000

To construct, furnish, and equip a library and information access center.

This appropriation is not available until the commissioner of finance has determined that at least \$2,504,000 has been committed from nonstate sources.

Subd. 14. Minneapolis Community and Technical College 19,000,000

To design, renovate, furnish, and equip the former technical and community college buildings and to provide space to begin to colocate Metropolitan State University classrooms, offices, and student service areas and to purchase adjacent property that would also meet the expansion and colocation needs of MCTC and Metropolitan State University.

Subd. 15. Minnesota State University - Mankato - Phase 3 8,400,000

To renovate, furnish, and equip Otto Arena and adjacent areas to provide a student fitness facility.

Subd. 16. Minnesota West Community and Technical College at Worthington 6,300,000

To design, construct, furnish, and equip a one-stop student services shop and welcome counter addition.

To design, renovate, furnish, and equip two science laboratories and associated preparation, storage, and office spaces.

To design, renovate, furnish, and equip consolidated nursing and allied health department and other classroom spaces.

Subd. 17. Minnesota State University - Moorhead 18,955,000

To construct, furnish, and equip a new science laboratory and auditorium addition to Hagen Hall.

Subd. 18. Normandale Community College	9,900,000
To design, renovate, furnish, and equip the vacated science laboratories.	
Subd. 19. Northeast Higher Education District - Virginia	5,496,000
To design, renovate, and equip science laboratories, a learning resource center, a student commons, and classrooms, including technology equipped classrooms, and construct new loading dock and driveway.	
Subd. 20. Northwest Technical College - Moorhead Campus	5,400,000
To design, renovate, furnish, and equip existing facilities and design, construct, furnish, and equip an allied health and applied technology laboratory and support facilities.	
Subd. 21. Ridgewater Community and Technical College	2,880,000
To design, renovate, furnish, and equip existing chemistry, physics, and biology laboratories and convert a classroom into a geology laboratory on the Willmar campus.	
To design, renovate, furnish, and equip interior space to convert obsolete applied laboratory space on the Hutchinson campus into chemistry, physics, and biology laboratories.	
Subd. 22. South Central Technical College	300,000
To design renovation of teaching laboratories at the North Mankato campus and design asset preservation at the Faribault campus.	
Subd. 23. Southeast Technical College	580,000
To design, renovate, furnish, and equip a one-stop student services area and workforce center entrance at Winona.	
To design the renovation of a one-stop student services areas and student center entrance at Red Wing.	
Subd. 24. Southwest State University	
(a) Library	9,200,000
To renovate and reconfigure, furnish, and equip the library and construct a new entrance.	
(b) Fire Damage	500,000
To replace and repair facilities at Southwest state university that were destroyed or damaged by a	

fire on January 2, 2002. The appropriation must be used to augment insurance settlements to design, construct, furnish, and equip a food service building at Southwest state university in Marshall, Minnesota, and for repairs of other campus facilities damaged by the fire.

Notwithstanding Minnesota Statutes, section 16B.33, or any other law, the board may use a design-build method of project development and construction for this project. The board may award a design-build contract on the basis of requests for proposals or a two-step request for qualifications followed by request for proposals without taking bids.

Subd. 25. St. Cloud State University 10,000,000

To design the renovation of Centennial Hall and to renovate, furnish, and equip phase 1 of the renovation of Centennial Hall and its conversion from library to classroom use and to design the code correction and renovation of Riverview Hall.

Subd. 26. St. Cloud Technical College 700,000

To design the construction of a multistory building connected to the existing facility and the renovation of part of "G" wing.

Subd. 27. Winona State University 30,000,000

To design, construct, furnish, and equip a new science building to serve programs in biology, chemistry, geoscience, physics, nursing, health sciences, engineering, and K-12 science teacher preparation.

Subd. 28. Science Lab Renovations 1,900,000

To design, renovate, furnish, and equip science laboratories at the campuses of Southeast technical college at Winona and Red Wing, Minnesota West at Canby and Worthington, Minneapolis community and technical college, and South Central technical college at Faribault.

Subd. 29. Land Acquisition 2,000,000

To acquire real property adjacent to or near the state college and university campuses from willing sellers.

Subd. 30. Debt Service

(a) The board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement in subdivisions 2,

3, and 4, and except that, where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

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

Sec. 4. PERPICH CENTER FOR ARTS EDUCATION

Subdivision 1. To the commissioner of administration for the purposes specified in this section	3,155,000
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Subd. 2. Asset Preservation	643,000
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For asset preservation capital improvements on the campus, including east wing climate control improvements, ceiling replacements, centerwide asbestos removal, flooring replacements, and water pipe replacement.

Subd. 3. Performance Hall Catwalk	125,000
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To design and construct a lighting catwalk along the east wall of the performance hall.

Subd. 4. Renovate Food Service Kitchen	570,000
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To remove and upgrade kitchen equipment, including cooking equipment, counters, freezers, coolers, dishwashers, plumbing, heating, ventilating, air conditioning, fire protection, electrical power distribution, and lighting and to create more room for the food service line and expand the type of services offered.

Subd. 5. Repair and Maintenance
Building

1,817,000

To demolish the existing storage facilities and predesign, design, construct, furnish, and equip a new maintenance building.

Sec. 5. CHILDREN, FAMILIES, AND LEARNING

Subdivision 1. To the commissioner of children, families, and learning for the purposes specified in this section

65,955,000

Subd. 2. Maximum Effort Capital
Loans

This appropriation is from the maximum effort school loan fund for capital loans to school districts as provided in Minnesota Statutes, sections 126C.60 to 126C.72. Capital loans to the recipient school districts are approved in the following amounts:

Independent School District No. 38,
Red Lake

20,255,000

To design, construct, renovate, furnish, and equip school facilities, and for health and safety capital improvements to schools.

Up to \$500,000 of this appropriation is for facilities planning. Any unused portion of the \$500,000 for facilities planning may be spent for health and safety capital improvements to the high school and middle school.

The commissioner shall review the proposed plan and budget of the project and may reduce the amount of the loan to ensure that the project will be economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated with the final review and construction by reducing the proceeds of the loan paid by the district. The commissioner shall report to the legislature any reductions to the appropriations in this subdivision by January 10, 2003.

Subd. 3. Metropolitan Magnet Schools

For grants in accordance with the metropolitan magnet school grant program under Minnesota Statutes, section 124D.88.

Southwest Integration Magnet School

4,000,000

For a grant to the West Metro Education Program joint powers board to acquire land, prepare a site, predesign, and design a new building for the Southwest Integration Magnet School in St. Louis Park, to serve a population of

approximately 500 kindergarten through grade 8 students.

Subd. 4. Mighty Books
Grant Program

1,000,000

For the Mighty Books grant program under new Minnesota Statutes, section 134.51.

Subd. 5. Minnesota
Planetarium

20,000,000

For a grant to the city of Minneapolis to construct, furnish, and equip a new Minnesota planetarium.

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

Subd. 6. Community Centers

(a) Asian Community Center

2,500,000

For a grant to the city of St. Paul to design, construct, furnish, and equip an Asian community center.

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

(b) Colin Powell Youth
Leadership Center

700,000

For a grant to Hennepin county to acquire land for and to design, construct, furnish, and equip the Colin Powell Youth Leadership center in Minneapolis. The center will include a national guard drill area, an education wing, including a computer lab, a multipurpose arts facility, a community education space, a nutrition education and cooking skills work-preparation area, and four new basketball courts.

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

(c) Neighborhood House/
El Rio Vista

2,500,000

For a grant to the city of St. Paul to acquire land for and to design, construct, furnish, and equip an expansion of Neighborhood House/El Rio Vista.

This appropriation is not available until the commissioner has determined that an equal

amount has been committed from nonstate sources.

Subd. 7. Trollwood

Performing Arts School

5,500,000

For a grant to the city of Moorhead to acquire land for and to design, construct, furnish, and equip Trollwood Arts Village in the city of Moorhead.

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

Subd. 8. Youth Enrichment

Grants

3,000,000

For grants to local government units to design, furnish, equip, renovate, replace, or construct parks and recreation facilities and school facilities, including soccer fields, to provide youth, with preference for youth in grades 4 through 8, with regular enrichment activities during nonschool hours, including after school, evenings, weekends, and school vacation periods, and that will provide equal access and programming for all children. Provided there are sufficient applications, 50 percent of this appropriation may only be spent in accordance with the recommendations of the Minnesota amateur sports commission. The buildings or facilities may be leased to nonprofit community organizations, subject to Minnesota Statutes, section 16A.695, for the same purposes. Enrichment programs include academic enrichment, homework assistance, computer and technology use, arts and cultural activities, clubs, school-to-work and workforce development, athletic, and recreational activities. Grants must be used to expand the number of children participating in enrichment programs or improve the quality or range of program offerings. The facilities must be fully available for programming sponsored by nonprofit and community groups serving youth, or school, county, or city programs, for maximum hours after school, evenings, weekends, summers, and other school vacation periods. Priority must be given to proposals that demonstrate collaborations among political subdivisions, private, nonprofit, and public agencies, including regional entities dealing with at-risk youth, and community and parent organizations in arranging for programming, staffing, transportation, and equipment. All proposals must include an

inventory of existing facilities and an assessment of programming needs in the community. In awarding these grants, the commissioner shall consider the regional distributions required in Laws 1996, chapter 463, section 4, subdivision 2. Priority must be given to school attendance areas with high concentrations of children eligible for free or reduced school lunch and to government units demonstrating a commitment to collaborative youth efforts.

Subd. 9. Early Childhood Learning
and Child Protection Facilities

5,000,000

For grants to construct or rehabilitate facilities for programs under Minnesota Statutes, section 119A.45.

Subd. 10. Agriculture and
Food Sciences Academy

1,000,000

To prepare a site for and to design the agriculture and food science academy in Ramsey county.

Subd. 11. Library for the Blind
Renovation

500,000

To design the renovation and expansion of the Minnesota library for the blind and physically handicapped.

Sec. 6. MINNESOTA STATE ACADEMIES

Subdivision 1. To the commissioner
of administration for the purposes
specified in this section

4,896,000

Subd. 2. Asset Preservation

2,000,000

For asset preservation capital improvements on both campuses of the Minnesota state academies for the deaf and the blind, including, but not limited to, general asset preservation, roof replacement, improvements to heating and ventilation systems, purchase of an emergency generator, and demolition of West Cottage.

Subd. 3. West Wing Noyes Hall -
Phase 2

2,896,000

To design, renovate, furnish, and equip the middle section of the building that connects the east and west wings.

Sec. 7. NATURAL RESOURCES

Subdivision 1. To the
commissioner of natural resources
for the purposes specified
in this section

117,172,000

Subd. 2. Statewide Asset Preservation

2,900,000

For asset preservation improvements and betterments at department of natural resources buildings statewide, including removal of life safety hazards and structural defects; elimination or containment of hazardous materials; code compliance improvements; accessibility improvements; replacement or renovation of roofs, windows, tuckpointing, and structural members; and improvements necessary to preserve the interior and exterior of buildings and other infrastructure. The commissioner shall determine project priorities as appropriate based upon need.

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, is available for asset preservation. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Subd. 3. Field Office Renovations 4,000,000

To design, acquire, renovate, construct, furnish, and equip field offices to relieve substandard employee working conditions in existing facilities. Field offices to be improved include: Warroad regional headquarters, metro regional headquarters, Talcot Lake wildlife management area, Little Fork forestry, Hill City forestry, and Montrose fisheries.

Subd. 4. Office Facility Development 4,600,000

To acquire, design, construct, furnish, and equip consolidated area offices and service facilities at Grand Marais and Thief River Falls.

Subd. 5. ADA Compliance 1,000,000

For improvements and betterments of a capital nature to remove barriers and make department of natural resources buildings, programs, and services accessible to individuals with disabilities, in compliance with state and federal ADA guidelines.

Subd. 6. State Park Initiative 32,500,000

For building, utility, and natural resource projects within the Minnesota state park system according to the management plan required in Minnesota Statutes, chapter 86A, as follows:

(1) to design, renovate, construct, furnish, and equip state park buildings; and

(2) to design, renovate, furnish, and equip capital facilities at state parks, state recreation areas, and

forest recreation areas, including, but not limited to, roads, trails, bridges, campgrounds, and utility systems.

This appropriation must be used to substantially implement the master plan for improvements dated June 23, 1997, for the historic golf course at Fort Ridgely state park.

\$1,600,000 is to develop the Big Bog state recreation area, including constructing, furnishing, and equipping a visitors center.

\$2,900,000 is to develop the Red River state recreation area.

Subd. 7. State Park and Recreation Area Acquisition

4,000,000

For acquisition of land under Minnesota Statutes, section 86A.05, subdivision 2, from willing sellers of private lands within state park and recreation area boundaries established by law.

Subd. 8. Metro Regional Park Acquisition and Betterment

10,000,000

This appropriation is for a grant to the metropolitan council. The commissioner shall pay the amount on a reimbursement basis to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of rehabilitation, acquisition, and development by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.315. This appropriation must not be used for research, planning, administration, or tax equivalency payments. This appropriation may be used for the purchase of homes only if the purchases are included in the work program required by law and they are expressly approved by the legislative commission on Minnesota resources.

Subd. 9. St. Cloud Regional Parks and Trails

1,000,000

For a grant to the St. Cloud regional parks and trails coordinating board for capital improvements to sites under its jurisdiction.

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

Money from this appropriation must comply with the central Minnesota regional parks and

trails plan created under Minnesota Statutes, section 85.50.

Subd. 10. Como Park Conservatory 2,700,000

For a grant to the metropolitan council to complete restoration of the Como Park conservatory. The project must include restoration of the fern room and construction of a bonsai collection space, an orchid growing and display house, and a children's activity zone, as well as corridors and connections to the education resource building.

Subd. 11. Forest Road and Bridge Projects 1,200,000

For reconstruction, resurfacing, replacement, or construction of other improvements of a capital nature to state forest roads and bridges throughout the state under Minnesota Statutes, section 89.002. The commissioner shall determine project priorities as appropriate based on need.

Subd. 12. Reforestation 1,500,000

For improvements authorized under the Minnesota Constitution, article XI, section 5, clause (f). To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including planting, seeding, site preparation, purchasing tree seeds and seedlings, improving forest stands, and protecting plantations.

Subd. 13. State Forest Land Acquisition 500,000

To acquire private lands from willing sellers within established boundaries of state forests throughout the state under Minnesota Statutes, section 86A.05, subdivision 7.

Subd. 14. State Trail Acquisition and Development 3,800,000

To acquire, develop, and renovate state trails as specified in Minnesota Statutes, section 85.015.

\$475,000 is for the Goodhue Pioneer trail.

\$725,000 is for the Gitchi-Gami trail.

\$450,000 is for the Shooting Star trail.

\$300,000 is for the Willard Munger trail.

\$300,000 is for the Luce Line trail.

\$300,000 is for the Douglas trail.

\$750,000 is for a grant to the city of Austin to acquire land for the Blazing Star trail.

\$500,000 is to connect the portions of the Paul Bunyan trail in the city of Bemidji, including constructing an underpass. This appropriation is not available until the commissioner has determined that an equal amount has been committed by the city of Bemidji.

Subd. 15. Regional Trail Grants

450,000

For a grant to Wabasha county under Minnesota Statutes, section 85.019, subdivision 4b, to acquire and develop the Great River Ridge trail.

Subd. 16. Trail Connections

1,492,000

For matching grants to local units of government to acquire and better public land and improvements needed for trails that connect communities, trails, and parks and thereby increase the effective length of trail experiences under Minnesota Statutes, section 85.019, subdivision 4c.

\$500,000 is for a grant to the city of New Ulm to connect the city to Flandrau state park.

\$492,000 is for a grant to the city of St. Louis Park to design and construct a grade separated pedestrian and trail crossing over Hennepin CSAH No. 25 at Belt Line Boulevard in St. Louis Park.

The commissioner shall determine other project priorities as appropriate based on need.

Subd. 17. Metro Greenways and Natural Areas

2,000,000

To provide grants to local units of government for acquisition or betterment of greenways and natural areas in the metro region and to acquire greenways and natural areas in the metro region through the purchase of conservation easements or fee titles. The commissioner shall determine the project priorities and shall consult with representatives of local units of government, nonprofit organizations, and other interested parties.

Subd. 18. Well Sealing

600,000

To identify and seal inactive wells on state-owned land under Minnesota Statutes, section 103I.311.

Subd. 19. Lewis and Clark Rural Water System

180,000

This appropriation is from the general fund.

For a grant to the Lewis and Clark joint powers board to acquire land for, and to predesign,

design, construct, furnish, and equip, a rural water system to serve southwestern Minnesota. This appropriation is available when matched by \$8 of federal money and \$1 of local money for each \$1 of state money.

Subd. 20. Dam Improvements

1,700,000

To renovate or remove publicly owned dams.

Up to \$1,050,000 is for a grant to the city of Crookston for phases 2 and 3 of the Red Lake River restoration and habitat improvement project.

The commissioner shall determine other project priorities as appropriate based on need as provided in Minnesota Statutes, sections 103G.511 and 103G.515.

Subd. 21. Flood Hazard Mitigation Grants

28,500,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161, for Warren, East Grand Forks, Montevideo, Breckenridge, St. Anthony, St. Louis Park, Granite Falls, Agassiz, Minneapolis, Oakport, Hay Creek, North Ottawa, Ross No. 7, and Crookston, and for Dakota county to construct storm water capital improvements for flood mitigation in Lebanon Hills regional park. To the extent that the cost of a project in Warren, East Grand Forks, Montevideo, Breckenridge, Granite Falls, Oakport, or Crookston exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

If the commissioner would otherwise fund a project in the city of Minneapolis from this appropriation, the commissioner shall provide a grant of up to \$1,000,000 to prevent and alleviate flood damage at Lake of the Isles. Notwithstanding Minnesota Statutes, section 103G.222, or any other law, rule, ordinance, or regulation to the contrary, a project at Lake of the Isles to mitigate past flood damage and prevent future flooding paid for with this appropriation or the appropriation in Laws 2000, chapter 492, article 1, section 7, requires a maximum replacement of two acres of wetland for each one acre of filled wetland inside the entire watershed district.

Subd. 22. Stream Protection
and Restoration

1,000,000

For the design and implementation of stream restoration projects that employ natural channel design principles.

Subd. 23. Water Access
Acquisition and Development

1,500,000

For public water access acquisition, construction, and renovation to capital projects on lakes and rivers, including water access through the provision of fishing piers and shoreline access under Minnesota Statutes, section 86A.05, subdivision 9.

Subd. 24. Lake Superior
Safe Harbors

1,750,000

\$1,100,000 is to complete construction of the public access at McQuade Road on Lake Superior in cooperation with the U.S. Army Corps of Engineers and the joint powers board made up of the city of Duluth, St. Louis county, the town of Duluth, and the town of Lakewood.

\$250,000 is to acquire the dockage, buildings, and other capital improvements at the Knife River marina in Lake county.

\$400,000 is to increase the number of slips at the Silver Bay harbor and marina from 68 to at least 100.

Subd. 25. Fish Hatchery
Improvements

300,000

For improvements of a capital nature to design, construct, renovate, furnish, and equip fish culture facilities under Minnesota Statutes, section 97A.045, subdivision 1.

Subd. 26. Fisheries Acquisition
and Improvement

500,000

To acquire aquatic management areas and to make public improvements and betterments of a capital nature to fish habitat under Minnesota Statutes, section 86A.05, subdivision 14.

Subd. 27. Scientific and Natural Area
Acquisition and Improvement

2,500,000

To acquire land for scientific and natural areas and for development, protection, or improvements of a capital nature to scientific and natural areas throughout the state under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5.

Up to \$1,500,000 is to acquire, restore, and

develop the Seminary fen in the Assumption creek watershed in Carver county. The commissioner shall manage the Seminary fen in accordance with Minnesota Statutes, chapter 86A, in part as an aquatic management area, in part as a scientific and natural area, and in part as a wildlife management area.

Subd. 28. Natural and Scenic Area
Land Acquisition Grants

1,000,000

For matching grants to local units of government to acquire and better local natural and scenic areas under Minnesota Statutes, section 85.019, subdivision 4a. The commissioner shall determine project priorities as appropriate based on project significance and need.

Subd. 29. RIM Consolidated
Wildlife and Critical Habitat Match

3,000,000

To acquire land and interests in land for wildlife management area purposes under Minnesota Statutes, section 97A.145; for improvements of a capital nature to develop, protect, or improve wildlife management areas and other state lands throughout the state under Minnesota Statutes, section 86A.05, subdivision 8; and to provide state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943, for the acquisition or improvement of critical fish, wildlife, and native plant habitats.

Subd. 30. Native Prairie
Bank Easements

1,000,000

For acquisition of native prairie bank easements under Minnesota Statutes, section 84.96.

Subd. 31. Work Program

The commissioner must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources and request its recommendation before spending any money appropriated by subdivisions 6 to 9, 14 to 17, 22, 26, 27, 29, and 30. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a positive recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 8. POLLUTION CONTROL AGENCY

Subdivision 1. To the pollution control agency for the purposes specified in this section

11,500,000

Subd. 2. Closed Landfill Cleanup Program

10,000,000

For the pollution control agency to design and construct remedial systems and acquire land at landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, section 115B.39.

Subd. 3. Brownfield to Green Space Grant Program

1,500,000

For grants to assess and clean up underutilized property that is contaminated. The property must be developed and owned as public open space, parks, natural areas, and other similar community amenities.

Sec. 9. OFFICE OF ENVIRONMENTAL ASSISTANCE

Subdivision 1. To the office of environmental assistance for the purposes specified in this section

3,450,000

Subd. 2. Solid Waste Capital Assistance Grants

2,300,000

To the office of environmental assistance for the solid waste capital assistance grants program under Minnesota Statutes, section 115A.54. Grants from this appropriation must be awarded to applicants whose applications were on file with the office before January 1, 2002.

Subd. 3. Fergus Falls - Solid Waste Combustor

1,150,000

\$1,150,000 is for a grant to the city of Fergus Falls to design, construct, and equip the city's municipal solid waste combustor with new air pollution control equipment to meet federal and state environmental guidelines. This grant is in addition to any other state grants previously awarded for this project, including the 1997 grant to the city of Fergus Falls by the office of environmental assistance. This appropriation is not available until the commissioner has determined that at least \$1,150,000 has been committed from nonstate sources.

Sec. 10. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. To the board of water and soil resources for the purposes specified in this section

14,800,000

Subd. 2. RIM and PWP Conservation Easements

7,000,000

This appropriation is for the following purposes:

(1) to acquire conservation easements from

landowners on marginal lands to protect soil and water quality and to support fish and wildlife habitat as provided in Minnesota Statutes, section 103F.515;

(2) to acquire perpetual conservation easements on existing type 1, 2, 3, and 6 wetlands and adjacent lands, and for the establishment of permanent cover on adjacent lands, in accordance with Minnesota Statutes, section 103F.516; and

(3) \$640,000 of this amount may be used to administer the program.

Subd. 3. Streambank and Lakeshore
Protection and Restoration Program

2,000,000

To acquire conservation easements in environmentally sensitive lake and river shoreland areas from private landowners and to provide for the restoration of degraded or eroded shoreland where a public interest in the form of a conservation easement exists. The board may award grants to local soil and water conservation districts and participating local units of government to accomplish the purposes of this program, in accordance with new Minnesota Statutes, section 103F.225.

\$100,000 of this amount may be used to administer the program.

Subd. 4. Wetland Replacement
Due to Public Road Projects

3,000,000

To acquire land for wetlands or restore wetlands to be used to replace wetlands drained or filled as a result of the repair, maintenance, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraph (m).

\$400,000 of this amount may be used to administer the program.

The purchase price paid for acquisition of land, fee, or perpetual easement must be the amount deemed reasonable by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits with money provided by this appropriation. Acquisition of or the conveyance of land may be in the name of the political subdivision.

Subd. 5. Lazarus Creek

1,500,000

For a grant to Area II Minnesota River Basin Projects, Inc. for construction of the LQP-25/Lazarus Creek floodwater retention project. The grant may not exceed 75 percent of the project's cost. The remaining share must be provided by Area II Minnesota River Basin Projects, Inc.

Subd. 6. Stillwater -
Brown's Creek

1,300,000

For a grant to the city of Stillwater to provide environmental protection capital improvements for Brown's Creek.

Subd. 7. Work Program

The board must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources and request its recommendation before spending any money appropriated by subdivision 3. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a positive recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 11. AGRICULTURE

Subdivision 1. To the commissioner of administration or another named agency for the purposes specified in this section

15,292,000

Subd. 2. Rural Finance Authority
Loan Participation

15,000,000

For purposes as set forth in the Minnesota Constitution, article XI, section 5, clause (h). To the rural finance authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039, the loan restructuring program under Minnesota Statutes, section 41B.04, the seller-sponsored program under Minnesota Statutes, section 41B.042, the agricultural improvement loan program under Minnesota Statutes, section 41B.043, and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the rural finance authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to

provide full interest and principal coverage and a reserve for potential losses.

Priority for loans must be given first to basic beginning farmer loans; second, to seller-sponsored loans; and third, to agricultural improvement loans.

Subd. 3. Expansion of Metro Greenhouse and Storage Bay 292,000

To design, construct, furnish, and equip an expansion of the greenhouse facility owned by the department of agriculture on the campus of Metropolitan state university in St. Paul.

Sec. 12. MINNESOTA ZOOLOGICAL GARDENS

Subdivision 1. To the Minnesota Zoological Gardens for the purposes specified in this section 10,184,000

Subd. 2. Asset Preservation 3,000,000

For capital asset preservation improvements and betterments.

Subd. 3. Phase 1 of Master Plan 7,184,000

To design, construct, furnish, and equip zoo facilities consistent with phase 1 of the facilities and business master plan.

This appropriation is not available until the commissioner of finance has determined that additional money at least equal to 25 percent of the appropriated amount has been committed to the project from nonstate sources.

Sec. 13. ADMINISTRATION

Subdivision 1. To the commissioner of administration for the purposes specified in this section 104,467,000

Subd. 2. Capital Asset Preservation and Replacement (CAPRA) 17,000,000

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

Subd. 3. Electrical Utility Infrastructure - Phase 6 3,231,000

To complete the upgrade of the high-voltage primary electrical distribution system in the capitol complex, replace the emergency generator in the Capitol, and upgrade the nonhigh-voltage electrical system in the Capitol building.

Subd. 4. Agency Relocation 1,500,000

This appropriation is from the general fund.

For relocation of state agencies as determined by the commissioner of administration, including, but not limited to, the bureau of criminal apprehension, tenants in the Veterans Services building, and the departments of Trade and Economic Development and Economic Security.

Subd. 5. Location of Department of Agriculture Principal Administrative Offices

The commissioner of administration, in consultation with the commissioner of agriculture, shall develop comprehensive plans and timelines for relocation of the principal administrative offices of the department of agriculture to a location outside the metropolitan counties listed in Minnesota Statutes, section 473.121, subdivision 4. Planning for the relocation must be completed no later than March 31, 2003, the date on which the current lease on the Agriculture Department headquarters at 90 West Plato Blvd., Saint Paul, MN expires.

Priority to be used in determining a nonmetropolitan area location of the principal administrative offices shall be:

- (1) relocation to an existing state-owned building that is currently vacant;
- (2) relocation to suitable existing space available for lease or purchase; and
- (3) relocation to newly constructed administrative space.

This section is not intended to preclude colocation of agriculture department laboratories with laboratory facilities of other appropriate departments, nor to specify the location of a colocated laboratory.

Subd. 6. Renovate Governor's Residence

4,291,000

To design, renovate, furnish and equip the Governor's residence in St. Paul.

\$45,000 is from the general fund for relocation expenses.

Subd. 7. Health and Agriculture Laboratories

76,245,000

Debt service on \$15,717,000 of the principal amount of bonds sold to finance this project must be paid by the commissioner of administration under Minnesota Statutes, section 16A.643, from

parking revenue collected under Minnesota Statutes, section 16B.58.

To design, construct, furnish, and equip a joint laboratory facility with related parking in St. Paul for the departments of health and agriculture.

Subd. 8. Health, Agriculture, and
Human Services Office Facilities

Notwithstanding Minnesota Statutes, sections 15.50, subdivision 2, paragraph (e), and 16B.24, subdivision 6, paragraphs (a) and (b), the commissioner of administration is authorized to enter into a long-term lease-purchase agreement for up to 25 years for the development of office facilities for the departments of health, agriculture, and human services and related parking for the department of human services office facility.

Subd. 9. Olmsted County -
Government Services Center

700,000

To predesign the Olmsted county government services center, a facility to colocate federal, state, and local government offices, to the extent that the predesign determines their colocation to be feasible and practical. Participating agencies to be evaluated in the predesign must include, but need not be limited to, the city of Rochester; Olmsted county; the state departments of agriculture, commerce, economic security, health, human services, labor and industry, natural resources, public safety, revenue, and transportation, and the board of water and soil resources; and appropriate federal agencies.

Subd. 10. Land Acquisition

1,500,000

To acquire land to support existing needs or to be used for future state development and consolidation.

Sec. 14. CAPITOL AREA ARCHITECTURAL
AND PLANNING BOARD

2,879,000

Subdivision 1. To the commissioner of administration for the purposes specified in this section.

The appropriations in this section may not be spent on any project that affects space under the control of the senate without the approval of the secretary of the senate nor on any project that affects space under the control of the house of representatives without the approval of the chief clerk of the house.

Subd. 2. Capitol Building Restoration 1,659,000

To design, construct, and renovate elevators in the Capitol building.

\$646,000 is from the general fund to plaster and repaint public spaces and to conserve and repair existing artwork on the ground, first, and second floors.

Subd. 3. Capitol Building Signage 300,000

To design, fabricate, and install comprehensive signage in the Capitol complex.

Subd. 4. Capitol Interior Design 920,000

To complete schematic design for the interior renovation, restoration, and future maintenance of the capitol building.

Sec. 15. AMATEUR SPORTS COMMISSION

Subdivision 1. To the amateur sports commission for the purposes specified in this section 6,250,000

Subd. 2. Sports Conference Center 5,150,000

To construct, furnish, and equip a sports conference center on the campus of the National Sports Center and for related capital development costs.

Subd. 3. Spirit Mountain Ski Area 1,000,000

For a grant to the city of Duluth to renovate the snowmaking system at the Spirit Mountain ski area.

Subd. 4. National Volleyball Center - Phase 2 100,000

To design phase 2 of the National Volleyball Center in Rochester.

Sec. 16. ARTS

Subdivision 1. To the commissioner of administration for the purposes specified in this section 36,500,000

Subd. 2. Bloomington - Bloomington Center for the Arts 1,000,000

This appropriation is from the general fund.

To furnish and equip a new multipurpose public arts facility to facilitate the economic development, education, and cultural activities in the city of Bloomington that will serve the southern and southwest metro areas.

This appropriation is not available until the

commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 3. Minneapolis -
Children's Theatre Company

5,000,000

For a grant to Hennepin county to design, construct, furnish, and equip an expansion of the Children's Theatre Company's current facility.

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

Subd. 4. Minneapolis -
Guthrie Theater

30,000,000

For a grant to the Minneapolis community development agency to acquire and prepare a site for and to design, construct, furnish, and equip a new Guthrie Theater in the city of Minneapolis. The Minneapolis community development agency may enter into a lease or management agreement for the theater, subject to Minnesota Statutes, section 16A.695.

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

Subd. 5. Rochester -
Rochester Art Center

500,000

For a grant to the city of Rochester to design the new Rochester Art Center.

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

Subd. 6. St. Paul -
Minnesota African-American
Performing Arts Center

Notwithstanding Minnesota Statutes, section 16A.642, \$1,250,000 of the appropriation in Laws 1999, chapter 240, article 2, section 12, subdivision 14, is available until July 1, 2004.

Sec. 17. MILITARY AFFAIRS

Subdivision 1. To the adjutant
general for the purposes specified
in this section

4,857,000

Subd. 2. Asset Preservation

2,500,000

For asset preservation improvements and

betterments of a capital nature at military affairs facilities statewide.

Subd. 3. ADA Improvements

857,000

For improvements and betterments of a capital nature to remove barriers and make department of military affairs buildings, programs, and services accessible to individuals with disabilities, in compliance with state and federal ADA guidelines.

Subd. 4. Facility Life Safety Improvements

1,000,000

For life/safety improvements and betterments of a capital nature at military affairs facilities statewide.

Subd. 5. Indoor Firing Range Renovation

500,000

To renovate indoor firing ranges at training and community centers statewide and convert them to storage or classroom use.

Sec. 18. TRANSPORTATION

Subdivision 1. To the commissioner of transportation for the purposes specified in this section

67,646,000

Subd. 2. Local Bridge Replacement and Rehabilitation

40,000,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal money and to replace or rehabilitate local deficient bridges.

Political subdivisions may use grants made under this section to construct or reconstruct bridges, including:

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

(2) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a;

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

(4) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost

efficient than the replacement of the existing bridge.

Subd. 3. Duluth -

Aerial Lift Bridge Repainting

1,000,000

For a grant to the city of Duluth for capital repair and restoration of the aerial lift bridge. This appropriation is available when matched by \$1 of money secured or provided by the city of Duluth for each \$1 of state money.

Subd. 4 Port Development Assistance

4,000,000

For grants under Minnesota Statutes, sections 457A.01 to 457A.06. Any improvements made with the proceeds of these grants must be publicly owned.

Subd. 5. Rail Service Improvement

4,000,000

For the purposes defined under the rail service improvement program under Minnesota Statutes, sections 222.46 to 222.63.

Subd. 6. Freight Access Improvements

8,546,000

Each grant is not available until the commissioner has determined that an equal amount has been committed from any combination of municipal state-aid money and nonstate sources. The state share may be allocated to any one or more of the project elements, with the nonstate money used to complete any elements not completed with state money.

\$796,000 is for a grant to the city of Minnetonka to acquire land and to design and construct a new railroad switching yard facility in the city of Glencoe, to be owned by the McLeod county rail authority.

\$3,500,000 is for a grant to the city of Savage to improve highway access to the ports of Savage. The improvements may include local frontage roads, access consolidations, road closures, new signals, and acceleration and deceleration lanes.

\$4,250,000 is for a grant to the port authority of Winona to construct intermodal improvements at the Winona harbor. The improvements may include commercial harbor dredging, overpass construction, street widening, signal installation, and intersection reconstruction.

Subd. 7. Northstar Corridor Rail Project

8,000,000

For a commuter rail system from Rice to Minneapolis, including a multimodal connection to the Hiawatha light rail line in downtown Minneapolis.

This appropriation includes state money to match federal money for a feasibility study of extending the Northstar corridor rail project from Rice to Camp Ripley.

This appropriation must be spent for purposes as set forth in the Minnesota Constitution, article XI, section 5, clause (a), to acquire and better public lands and buildings and other improvements of a capital nature, and for purposes as set forth in the Minnesota Constitution, article XI, section 5, clause (i), to improve and rehabilitate railroad rights-of-way and other rail facilities whether public or private.

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

Subd. 8. Greater Minnesota
Transit Facilities

2,000,000

For capital assistance for greater Minnesota transit systems to be used for transit capital facilities.

Subd. 9. Radio Communications
Statewide System

100,000

To the department of transportation for planning the state radio communications system infrastructure, coordinating it with other state and local units of government, and extending it to the Rochester and St. Cloud districts of the state patrol district radio system, subject to the requirements of Minnesota Statutes, section 16A.695.

Sec. 19. METROPOLITAN COUNCIL

Subdivision 1. To the metropolitan council for the purposes specified in this section

28,000,000

Subd. 2. Northwest Metro Busway

5,000,000

To design and construct a busway in the northwest metropolitan area between downtown Minneapolis and Rogers. This appropriation is not available until the commissioner of finance has determined that Hennepin county has committed at least \$.,000,000 from other sources and the metropolitan council has committed at least \$.,000,000 from other sources. Money from any source may be used for roadway design, reconstruction, acquisition of land and right-of-way, and to design, construct, furnish, and equip transit stations and park and rides, and to purchase buses.

In development of the project, the council shall:

(1) take into consideration livable communities principles, including support of housing production and ensuring integration of land use and transportation needs of communities along the route of the busway; and

(2) encourage citizen and stakeholder participation in development of the project.

Subd. 3. Livable Communities Grant Program

10,000,000

For public infrastructure grants for development and redevelopment projects of the livable communities grant program under Minnesota Statutes, sections 473.25 to 473.255, as applicable.

In development of the project, the council shall:

(1) take into consideration livable communities principles, including support of housing production and ensuring integration of land use and transportation needs of communities along the route of the busway;

(2) take advantage of any local funding for the project that may be available; and

(3) encourage citizen and stakeholder participation in development of the project.

Subd. 4. Snelling Bus Garage

10,000,000

To construct a replacement bus garage for metro transit buses at the current Snelling Avenue garage site in St. Paul. The metropolitan council must work with the surrounding community to ensure the garage accommodates the larger development plans for the site. This appropriation is in addition to the appropriation in Laws 2000, chapter 479, article 1, section 3, subdivision 2.

Subd. 5. Central Corridor Transitway

3,000,000

For planning, final environmental impact statement, and preliminary engineering of the Central Corridor Transitway between St. Paul and the city of Minneapolis.

Sec. 20. COMMERCE

5,000,000

To the commissioner of finance for the energy conservation investment loan program under Minnesota Statutes, section 216C.37.

Sec. 21. HEALTH

775,000

To design and construct a community dental

clinic at Lake Superior community college in Duluth and design and renovate the Northwest technical college dental hygiene clinic in Moorhead.

Sec. 22. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for the purposes specified in this section

24,838,000

Subd. 2. Systemwide Roof Renovation and Replacement

2,789,000

For renovation and replacement of roofs at department of human services facilities statewide.

Subd. 3. Systemwide Asset Preservation

6,500,000

For asset preservation improvements and betterments of a capital nature at state regional treatment centers.

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, is available for asset preservation. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Subd. 4. Systemwide - Building and Structure Demolition

2,250,000

To demolish and dispose of hazardous materials from obsolete buildings at state regional treatment centers.

Subd. 5. Brainerd Regional Treatment Center

6,305,000

To design, renovate, furnish, and equip the residential and program areas in building No. 20.

Subd. 6. Fergus Falls Regional Treatment Center

3,000,000

To design, renovate, construct, furnish, and equip facilities for the psychiatric treatment program.

Subd. 7. St. Peter Regional Treatment Center

3,619,000

To design and replace the high-pressure steam boilers and convert the system to a low-pressure steam system at the St. Peter regional treatment center.

Subd. 8. People, Inc. North Side Community Support Program

375,000

For a grant to Minneapolis Community Development Agency to purchase, remodel, and complete accessibility upgrades to an existing building or to acquire land or construct a building to be used by the People, Inc. North Side Community Support Program, which may provide office space for state employees.

This appropriation is from the general fund.

Sec. 23. VETERANS HOMES BOARD

Subdivision 1. To the commissioner of administration for the purposes specified in this section

17,344,000

Subd. 2. Asset Preservation

4,690,000

For asset preservation improvements and betterments of a capital nature at veterans homes statewide.

Subd. 3. Hastings Veterans Home - Phase 3

8,553,000

For design and renovation of the utility infrastructure systems and related improvements at the campus of the Hastings veterans home.

Subd. 4. Luverne Veterans Home

766,000

To design, construct, furnish, and equip a building addition for Alzheimer's and dementia programming space at the Luverne veterans home.

Subd. 5. Minneapolis Veterans Home

990,000

To design, renovate, furnish, and equip building No. 4 to provide adult day care services to veterans in the surrounding communities.

This appropriation represents 35 percent of the estimated cost of the renovation project.

The Minnesota veterans homes board must apply for the federal money needed to complete this project. The commissioner of administration shall receive the federal money and use the money to complete the project. The total appropriation may be spent for this renovation project before the federal money for the project is received.

Subd. 6. Silver Bay Veterans Home

2,345,000

To replace the roof.

Sec. 24. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes specified in this section

31,943,000

Subd. 2. Asset Preservation

23,000,000

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, including, but not limited to, completing the perimeter wall and security improvements at MCF-Stillwater.

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, is available for asset preservation. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Subd. 3. Minnesota Correctional Facility - Lino Lakes

4,160,000

To design, construct, furnish, and equip a new 416-bed unit to house offenders.

This appropriation is not available until the commissioner has determined that at least \$10,179,000 has been committed from federal sources.

Subd. 4. Minnesota Correctional Facility - Shakopee

3,070,000

To design, construct, renovate, furnish, and equip the Independent Living Center (ILC) into a 48-bed general population living unit; increase space in the kitchen, serving, and eating areas; increase space in the visitation area; and modify the staff control station in the segregation unit to provide adequate space for updated technical equipment and more room for staff.

Subd. 5. Minnesota Correctional Facility - Stillwater

90,000

To predesign a new 150-bed segregation unit on the facility grounds.

Subd. 6. Minnesota Correctional Facility - Willow River/Moose Lake

1,523,000

To demolish the activities building at Willow River and design, construct, furnish, and equip a new activities building for physical training as required for the challenge incarceration program under Minnesota Statutes, sections 244.17 to 244.173.

Sec. 25. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of trade and economic development or other named agency for the purposes specified in this section

116,375,000

Subd. 2. Redevelopment Account

11,000,000

For transfer to the redevelopment account created in new Minnesota Statutes, section 116J.571. This appropriation is only available for grants to projects located outside of the seven-county metropolitan area.

\$1,000,000 is for a grant to the city of Little Falls for environmental cleanup of the Hennepin Paper Company property in the city of Little Falls.

Subd. 3. State Match for Federal Grants

16,000,000

To the public facilities authority to match federal grants for eligible projects in the water pollution control revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving loan fund under Minnesota Statutes, section 446A.081.

Subd. 4. Wastewater Infrastructure
Funding Program

40,800,000

\$800,000 of this appropriation is from the general fund to administer the wastewater infrastructure program.

To the public facilities authority for grants to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest extent practical, the authority should use the grants for projects on the 2002 project priority list in priority order to qualified applicants that submit plans and specifications to the pollution control agency or receive a funding commitment from USDA rural development before December 1, 2003.

\$1,550,000 is for a grant to the city of Bayport for the Middle St. Croix River Watershed Management organization to complete construction of the sewer system extending from Minnesota department of natural resources pond 82-310P (the prison pond) in Bayport through the Stillwater prison grounds to the St. Croix river.

\$7,800,000 is for grants to North Shore sanitary districts to predesign, design, construct, furnish, and equip wastewater treatment facilities within the North Shore management zone and that border the outstanding resource value waters of Lake Superior.

Subd. 5. Fairmont -
Winnebago Avenue Sports Complex

500,000

For a grant to the city of Fairmont to acquire land for, renovate, and expand the Winnebago

Avenue sports complex, including reconfiguring two ball fields, adding two fields, paving a parking lot, and building other amenities.

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

Subd. 6. Greater Minnesota
Business Development Infrastructure
Grant Program 15,000,000

For grants under new Minnesota Statutes, section 116J.431.

Subd. 7. Itasca County -
Children's Discovery Museum 300,000

For a grant to Itasca county to design, construct, furnish, and equip the Children's Discovery Museum in Grand Rapids. The county may enter into a lease or management agreement for the center, subject to Minnesota Statutes, section 16A.695.

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

Subd. 8. Minneapolis -
Empowerment Zone Projects 8,000,000

For a grant to the city of Minneapolis for public infrastructure improvements in the following empowerment zone projects: the Near Northside redevelopment project; the Chicago/Lake project; and the South East Minneapolis industrial redevelopment project.

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

Subd. 9. Olivia -
Minnesota Center for Agricultural Innovation 1,000,000

For a grant to the city of Olivia to acquire land and to design, construct, furnish, and equip the Minnesota Center for Agricultural Innovation.

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

Subd. 10. Red Lake
Economic Development Facility 1,400,000

For the commissioner of administration to plan,

design, construct, furnish, and equip an economic development facility on the Red Lake Indian reservation.

The facility must be constructed on land leased to the state by the Red Lake Band of Chippewa Indians. The ground lease must be executed by the commissioner of administration under Minnesota Statutes, section 16B.24, subdivision 6, except that the initial term of the ground lease must be at least 20 years and the total term must be at least 40 years, including renewal options.

Construction of the facility is not subject to the competitive bidding requirements of Minnesota Statutes, chapter 16C. The commissioner may contract directly with the Red Lake Tribal Council to complete the facility.

The commissioner must enter into an agreement with the Red Lake Tribal Council under Minnesota Statutes, section 16A.695, to operate the facility on behalf of the state to carry out the state program of economic development during the term of the ground lease and any renewal options.

Subd. 11. St. Cloud -
Civic Center Expansion

1,000,000

For a grant to the city of St. Cloud to predesign and design the expansion of the St. Cloud civic center.

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

Subd. 12. St. Paul -
Roy Wilkins Auditorium

5,000,000

For a grant to the city of St. Paul to design a new Roy Wilkins Center.

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

Subd. 13. St. Paul -
Phalen Boulevard Contamination Remediation

8,000,000

For a grant to the city of St. Paul to acquire land and to complete contamination remediation on Phalen Boulevard between I-35E and Johnson Parkway.

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

Subd. 14. St. Paul -
2004 Renaissance Project 8,375,000

For a grant to the city of St. Paul to design and construct river edge improvements and redevelop a public park on Raspberry Island.

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

Sec. 26. IRON RANGE RESOURCES AND REHABILITATION BOARD 1,800,000

To design, construct, furnish, and equip Mesabi station as the central guest services facility for the Mesabi trail.

Sec. 27. HOUSING FINANCE AGENCY 10,000,000

To the commissioner of the housing finance agency to rehabilitate and construct transitional and supportive housing for veterans and single adults on land owned by the U.S. Department of Veterans Affairs (VA) Medical Center campus in Minneapolis.

Sec. 28. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. To the Minnesota Historical Society for the purposes specified in this section 9,143,000

Subd. 2. Historic Site Asset Preservation 5,000,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments. Up to \$250,000 of this appropriation may be used to predesign and design major construction and redevelopment projects at historic Fort Snelling. The society shall determine project priorities as appropriate based on need.

Subd. 3. County and Local Preservation Grants 1,500,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature. Grant recipients must be public entities and must match state funds on at least an equal basis. The facilities must be publicly owned.

Subd. 4. Sibley House Historic Site 542,000

To renovate buildings at the site and design future renovations.

Subd. 5. Kelley Farm Land Acquisition	655,000
To acquire land or interests in land adjacent to the Oliver Kelley Farm historic site.	
Subd. 6. Fort Snelling Historic Site	500,000
\$400,000 is to design a variety of construction projects needed for a major redevelopment and renewal of historic Fort Snelling.	
\$100,000 is to expand restrooms in the current visitor center.	
Subd. 7. Heritage Trails	384,000
To design and construct a trail at Fort Ridgely state historic site.	
Subd. 8. Fort Belmont	200,000
For a grant to Jackson county to design, construct, furnish, and equip a new site for historic Fort Belmont.	
Subd. 9. New Brighton Caboose and History Center	100,000
This appropriation is from the general fund.	
For a grant to the New Brighton area historical society to renovate its caboose and history center.	
This appropriation is not available until the commissioner of finance has determined that an equal amount has been committed from nonstate sources.	
Subd. 10. Pipestone County Museum	125,000
For a grant to the city of Pipestone to design and construct an external shaft and hoist way and install an elevator adjacent to the Pipestone County Museum and renovate a third-floor area to be used as a community room and a museum programs room.	
This appropriation is not available until the commissioner of finance has determined that an equal amount has been committed from nonstate sources.	
Subd. 11. Gibbs Museum of Pioneer and Dakotah Life	137,000
For a grant to Ramsey county to predesign, design, construct, furnish, and equip a new interpretive center for the Gibbs Museum.	
This appropriation is not available until the commissioner of finance has determined that an equal amount has been committed from nonstate sources.	

Sec. 29. BOND SALE EXPENSES

1,066,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8. This appropriation is from the bond proceeds fund.

Sec. 30. [BOND SALE AUTHORIZATION.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$1,135,950,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$20,255,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Subd. 3. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the transportation fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$40,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 31. [CANCELLATIONS AND TRANSFERS.]

Subdivision 1. The unobligated balance of the appropriation in Laws 1998, chapter 404, section 7, subdivision 28, for the Sand Dunes state forest center, estimated to be \$113,000, is canceled to the general fund.

Subd. 2. \$500,000 of the appropriation in Laws 1998, chapter 404, section 23, subdivision 27, for a production facility associated with an educational and training facility, is canceled to the general fund.

Subd. 3. The \$400,000 appropriation in Laws 1998, chapter 404, section 25, subdivision 9, for a treaty site history center, is canceled to the general fund.

Subd. 4. The \$375,000 appropriation in Laws 1998, chapter 404, section 18, subdivision 4, for the People, Inc. North Side community support program, is canceled to the general fund.

Subd. 5. \$1,000,000 of the appropriation in Laws 2000, chapter 492, article 1, section 14, subdivision 3, to the commissioner of administration for a grant to the Minneapolis community development agency, for the Guthrie Theater, vetoed on May 15, 2000, and approved by the legislature overriding the veto on May 17, 2000, is canceled to the general fund.

Sec. 32. Minnesota Statutes 2000, section 16A.11, subdivision 6, is amended to read:

Subd. 6. [BUILDING MAINTENANCE AND CAPITAL BETTERMENT.] The detailed operating budget and capital budget must include amounts necessary to maintain and better state buildings. The commissioner of finance, in consultation with the commissioner of administration, the board of trustees of the Minnesota state colleges and universities, and the regents of the University of Minnesota, shall establish budget guidelines for building maintenance and betterment appropriations. Unless otherwise provided by the commissioner of finance, the combined amount to be budgeted each year for building maintenance and betterment in the operating budget and capital budget is two one percent of the replacement cost of the building, adjusted up or down depending on the age and condition of the building.

Sec. 33. Minnesota Statutes 2000, section 16A.501, is amended to read:

16A.501 [REPORT ON EXPENDITURE OF BOND PROCEEDS.]

The commissioner of finance must report annually to the legislature on the degree to which entities receiving appropriations of bond proceeds for capital projects in previous omnibus capital improvement acts have encumbered or expended that money. The report must be submitted to the chairs of the house of representatives ways and means committee and the senate finance committee by February 1 of each year.

Sec. 34. Minnesota Statutes 2000, section 16A.632, subdivision 2, is amended to read:

Subd. 2. [STANDARDS.] Article XI, section 5, clause (a), of the constitution states general obligation bonds may be issued to finance only the acquisition or betterment of state land, buildings, and improvements of a capital nature. In interpreting this and applying it to the purposes of the program contemplated in this section, the following standards are adopted for the disbursement of money from the capital asset preservation and replacement account:

(a) No new land, buildings, or major new improvements will be acquired. These projects, including all capital expenditures required to permit their effective use for the intended purpose on completion, will be estimated and provided for individually through a direct appropriation for each project.

(b) An expenditure will be made from the account only when it is a capital expenditure on a capital asset previously owned by the state, within the meaning of accepted accounting principles as applied to public expenditures. The commissioner of administration will consult with the commissioner of finance to the extent necessary to ensure this and will furnish the commissioner of finance a list of projects to be financed from the account in order of their priority. The commissioner shall also furnish each revision of the list. The legislature assumes that many provisions for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the constitution and capital expenditures under correct accounting principles, and will be financed more efficiently and economically under the program than by direct appropriations for specific projects. However, the purpose of the program is to accumulate data showing how additional costs may be saved by appropriating money from the general fund for preservation measures, the necessity of which is predictable over short periods.

(c) The commissioner of administration will furnish instructions to agencies to apply for funding of capital expenditures for preservation and replacement from the account, will review applications, will make initial allocations among types of eligible projects enumerated below, will determine priorities, and will allocate money in priority order until the available appropriation has been committed.

(d) Categories of projects considered likely to be most needed and appropriate for financing are the following:

(1) unanticipated emergencies of all kinds, for which a relatively small amount should be initially reserved, replaced from money allocated to low-priority projects, if possible, as emergencies occur, and used for stabilization rather than replacement if the cost would exhaust the account and should be specially appropriated;

(2) projects to remove life safety hazards, like replacement of mechanical systems, building code violations, or structural defects, at costs not large enough to require major capital requests to the legislature;

(3) elimination or containment of hazardous substances like asbestos or PCBs; ~~and~~

(4) moderate cost replacement and repair of roofs, windows, tuckpointing, and structural members necessary to preserve the exterior and interior of existing buildings; and

(5) up to ten percent of an appropriation awarded under this section may be used for design

costs for projects eligible to be funded from this account in anticipation of future funding from the account.

Sec. 35. Minnesota Statutes 2000, section 16A.86, subdivision 3, is amended to read:

Subd. 3. [EVALUATION.] (a) The commissioner shall evaluate all requests from political subdivisions for state assistance based on the following criteria:

(1) the political subdivision has provided for local, private, and user financing for the project to the maximum extent possible;

(2) the project helps fulfill an important state mission;

(3) the project is of regional or statewide significance;

(4) the project will not require new or any additional state operating subsidies;

(5) the project will not expand the state's role in a new policy area;

(6) state funding for the project will not create significant inequities among local jurisdictions;

(7) the project will not compete with other facilities in such a manner that they lose a significant number of users to the new project; and

(8) the governing bodies of those political subdivisions primarily benefiting from the project have passed resolutions in support of the project and have established priorities for their projects when submitting multiple requests; and

(9) if a predesign that meets the requirements of section 16B.335 has been completed and is available at the time the project request is submitted to the commissioner of finance, the applicant has submitted the project predesign to the commissioner of administration.

(b) The commissioner's evaluation of each request, including whether it meets each of the criteria in paragraph (a), must be submitted to the legislature along with the governor's recommendations under section 16A.11, subdivision 1, whether or not the governor recommends that the request be funded.

Sec. 36. Minnesota Statutes 2000, section 16B.31, subdivision 1, is amended to read:

Subdivision 1. [CONSTRUCTION PLANS AND SPECIFICATIONS.] (a) The commissioner shall (1) have plans and specifications prepared for the construction, alteration, or enlargement of all state buildings, structures, and other improvements except highways and bridges, and except for buildings and structures under the control of the board of regents for the university of Minnesota and of the board of trustees of the Minnesota state colleges and universities; (2) approve those plans and specifications; (3) advertise for bids and award all contracts in connection with the improvements; (4) supervise and inspect all work relating to the improvements; (5) approve all lawful changes in plans and specifications after the contract for an improvement is let; and (6) approve estimates for payment. This subdivision does not apply to the construction of the zoological gardens.

(b) Notwithstanding any law to the contrary, the commissioner, the board of regents for the university of Minnesota, and the board of trustees for the Minnesota state colleges and universities may solicit and award a design-build contract for those projects designated by law for design-build in section 2 using the procedures provided in section 16C.30.

(c) Paragraph (b) expires January 1, 2004.

(d) The commissioner, the board, the board of regents for the university of Minnesota, and the board of trustees of the Minnesota state colleges and universities shall create a panel of representatives of all entities and also including representatives of the construction industry and the architecture and engineering professions, to evaluate the use of design-build and the procedures for design-builder selection under section 16C.30, and shall report to the legislature on

or before January 1, 2004, as to the success of design-build as a method of construction and the need and desirability for any changes in the selection procedure.

Sec. 37. Minnesota Statutes 2000, section 16B.33, is amended by adding a subdivision to read:

Subd. 5. [DESIGN-BUILD.] (a) The board shall select design-builders pursuant to section 16C.30 for all such projects undertaken with an estimated cost greater than \$750,000. In the event a project is undertaken with an estimated cost of less than \$750,000, the commissioner or board, in the commissioner's sole discretion, may select the design-builder following the requirements in section 16C.30. If the commissioner elects to make the selection, the commissioner shall perform the duties prescribed for the board in section 16C.30. This paragraph does not apply to projects under the control of the board of regents for the university of Minnesota and the board of trustees for the Minnesota state colleges and universities.

(b) Upon written request by the board of regents for the university of Minnesota and the board of trustees for the Minnesota state colleges and universities, the board shall evaluate and recommend at least three design-builders following the requirements in section 16C.30 for any such project under the control of the board of regents and the board of trustees.

(c) The commissioner and the board of regents for the university of Minnesota and the board of trustees for the Minnesota state colleges and universities shall forward to the board a written report describing each instance in which the performance of a design-builder has been less than satisfactory for projects under their supervision.

(d) This subdivision expires January 1, 2004.

Sec. 38. Minnesota Statutes 2000, section 16B.335, subdivision 3, is amended to read:

Subd. 3. [PREDESIGN REQUIREMENT.] The definitions in paragraphs (a) and (b) apply to this section.

(a) "Pre-design" means the stage in the development of a project during which the purpose, scope, cost, and schedule of the complete project are defined and instructions to design professionals are produced.

(b) "Design" means the stage in the development of a project during which schematic, design development, and contract documents are produced.

(c) A recipient to whom an appropriation is made for a project subject to review under subdivision 1 or notice under subdivision 2 shall prepare a pre-design package and submit it to the commissioner for review and recommendation before proceeding with design activities. The commissioner must complete the review and recommendation within ten working days after receiving it. Failure to review and recommend within the ten days is considered a positive recommendation. The pre-design package must be sufficient to define the purpose, scope, cost, and schedule of the project and must demonstrate that the project has been analyzed according to appropriate space needs standards.

(d) This subdivision does not apply to capital projects for park buildings owned by a local government unit in the metropolitan area defined in section 473.121, subdivision 2.

Sec. 39. [16C.29] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of section 16C.30, the terms in this section have the meanings given them, unless the context clearly indicates otherwise.

Subd. 2. [BOARD.] "Board" means the designer selection board, as described in section 16B.33.

Subd. 3. [CLARIFICATIONS.] "Clarifications" means a written or oral exchange of information that takes place after the receipt of proposals to ensure conformance with the request for proposals and to address minor, clerical revisions in a proposal.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of administration.

Subd. 5. [DESIGNER.] "Designer" means an architect, landscape architect, or engineer licensed or certified under sections 326.02 to 326.15 or a partnership, association, or corporation comprised primarily of registered architects, landscape architects, or engineers or of all three.

Subd. 6. [DISCUSSIONS.] "Discussions" means written or oral exchanges that take place with the offeror of the top ranked proposal with the intent of allowing the offeror to revise its proposal.

Subd. 7. [OWNER'S REPRESENTATIVE.] "Owner's representative" means a qualified professional who may oversee scheduling, cost control, constructability, project management, quality control, life-cycle costing, and building technology.

Subd. 8. [PERSON.] "Person" means an individual, partnership, corporation, association, or any other legal entity.

Subd. 9. [PHASE-ONE SUBMITTAL.] "Phase-one submittal" means statements of qualifications from design-builders under section 16C.30, subdivision 5.

Subd. 10. [PHASE-TWO PROPOSAL.] "Phase-two proposal" means an offer by a design-builder to enter into a design-build contract for a project under section 16C.30, subdivision 6, in response to a request for proposals.

Subd. 11. [PROJECT.] "Project" means an undertaking to design and construct, erect, or remodel a building by or for the state or an agency under the supervision and control of the commissioner pursuant to section 16B.30 or the board of regents for the university of Minnesota and the board of trustees for the Minnesota state colleges and universities.

Subd. 12. [EXPIRATION.] This section expires January 1, 2004.

Sec. 40. [16C.30] [DESIGN-BUILD CONTRACTS.]

Subdivision 1. [GENERAL AUTHORITY.] (a) Notwithstanding any law to the contrary, the commissioner may solicit and award a design-build contract between the department of administration and a design-builder utilizing the competitive acquisition process described in subdivisions 5 through 9 if the commissioner meets the conditions in paragraph (b). A design-build contract may provide the architectural, engineering, and related design services as well as the labor, materials, supplies, equipment, and construction services for a project. A design-build contract may include telecommunications cabling but must not include acquisition of personal property related to the operations of the occupants. The commissioner may make changes to the project without invalidating the design-build contract.

(b) The commissioner shall, for each project for which the commissioner intends to use the design-build method, make a written determination that it is in the best interest of the state to use the design-build method to complete the project. In making this determination, the commissioner shall use the following criteria as the minimum basis for the determination:

(1) the extent to which the project requirements can be adequately defined in a request for proposal before completing the design process;

(2) the suitability of the delivery method with respect to scope, schedule, cost, and quality factors;

(3) the suitability of the delivery method to minimize life-cycle costs to the extent available within the project budget;

(4) the suitability of the delivery method to efficiently achieve functionality requirements;

(5) the impact of the project schedule on the agency's delivery of services and project cost;

(6) the resources of the department of administration to manage the project through employment of experienced personnel or hiring of consultants;

(7) the resources of the department of administration to oversee the project with persons who are familiar and experienced with the design-build method of project delivery or similar experience; and

(8) other criteria that the commissioner deems relevant and that are included in the written determination.

(c) The authority and duties prescribed for the board, the commissioner, and department of administration under this section are granted to and must be performed by the board of regents for the university of Minnesota and the board of trustees for the Minnesota state colleges and universities on projects under their control.

Subd. 2. [LICENSING REQUIREMENTS.] (a) Each design-builder shall be, employ, or have as a partner, member, coventurer, or subcontractor, persons duly licensed, certified, or registered to provide the services required to complete the project and do business in this state.

(b) A design-builder may contract with the commissioner to provide professional or construction services that the design-builder is not itself licensed, certified, registered, or qualified to perform, so long as the design-builder provides the services through subcontracts with duly licensed, certified, or registered, or otherwise qualified persons in accordance with this section.

(c) Nothing in this section authorizing design-build contracts is intended to limit or eliminate the responsibility or liability owed by a professional on a design-build project to the state or other third parties under existing law. The design service portion of a design-build contract shall be considered a service and not a product.

Subd. 3. [UNIVERSITY OF MINNESOTA AND MINNESOTA STATE COLLEGES AND UNIVERSITIES SELECTION PROCESS.] (a) The board of regents for the university of Minnesota and the board of trustees for the Minnesota state colleges and universities shall select design-builders for all design-build projects under their supervision and control following the procedures and performing the duties prescribed for the board and commissioner in subdivisions 5 through 9. The board of regents and the board of trustees shall either use the board or establish an evaluation team of at least seven persons to evaluate and recommend design-builders under this section to include three persons selected as provided in paragraph (b). The final selection must be made by the board of regents or the board of trustees.

(b) Upon written request from the board of regents or the board of trustees, each of the following three organizations shall nominate one individual whose name and qualifications shall be submitted to the board of trustees for consideration: the Consulting Engineers Council of Minnesota after consultation with other professional engineering societies in the state; the AIA Minnesota; and the Minnesota chapter of the Associated General Contractors after consultation with other commercial contractor associations in the state. The board of regents or the board of trustees may appoint the three named individuals to the evaluation team but may reject a nominated individual and request another nomination. The board of regents or the board of trustees shall determine the term of the appointment. The other members of the evaluation team must be representatives of the university of Minnesota or the Minnesota state colleges and universities.

Subd. 4. [DEVELOPMENT OF DESIGN CRITERIA.] (a) Each request for proposals for a design-build contract must contain design criteria prepared by a design criteria professional who holds licenses or certifications under sections 326.02 to 326.15 and is either an employee of the state, the university of Minnesota, or a consultant hired by the commissioner. If the design criteria professional is a consultant hired by the state, the licensure requirement may be met by employing individuals who hold a license or licenses under sections 326.02 to 326.15. The commissioner may elect to designate the board to select the consultant in compliance with section 16B.33.

(b) Design criteria set forth in the request for proposals must specify all information needed to adequately describe the project including performance-based criteria such as sustainability and life-cycle costing requirements; interior space requirements, including adjacency diagrams; material quality standards; architectural image and building form standards; building air quality

requirements; commissioning requirements; building burn-in requirements; cost estimates; design and construction schedules; site development requirements; utility requirements; storm water retention and disposal requirements; and parking requirements. If necessary to adequately describe the project, the design criteria must include a boundary and topographic survey of the site, with the legal description and geotechnical and environmental information available concerning the site.

(c) There must be an owner's representative for each design-build project. The owner's representative must be either an employee of the state, university of Minnesota, or a consultant hired by the commissioner. The commissioner, in consultation with the agency, the owner's representative, and the design criteria professional, shall determine the scope and level of detail required for the design criteria to be included in the request for proposals.

Subd. 5. [SOLICITATION OF PROPOSALS.] (a) The commissioner shall prepare a request for proposals, which must contain, at a minimum, the following elements:

- (1) the identity of the agency that will utilize the completed project;
- (2) the procedures for submitting proposals, the criteria for evaluation of proposals and their relative weight for each phase, how those criteria will be scored, and the procedures for making awards;
- (3) the terms and conditions for the design-build contract;
- (4) the design criteria;
- (5) the qualifications the design builder will be required to have;
- (6) a critical path method schedule for commencement and completion of the project;
- (7) budget limits for the project;
- (8) affirmative action, disadvantaged businesses, small business, or set-aside goals or requirements for the design-build contract;
- (9) requirements for insurance, required performance and payment bonds, and bid bonds, and/or cash deposit;
- (10) a description of the drawings, specifications, or other submittals to be submitted with the phase-two proposal, with guidance as to the form and level of completeness of the drawings, specifications, or submittals that will be acceptable;
- (11) the professional/technical contract to be entered into with the design-builders selected to submit phase-two proposals, including scope of work, use of ideas or information, and compensation; and
- (12) identification of any other material information available from the commissioner or board, including, without limitation, surveys, soils reports, drawings or models of existing structures, environmental studies, photographs, or references to public records.

(b) The solicitation of request for proposals does not obligate the commissioner to enter into a design-build contract. The commissioner may accept or reject any or all proposals or parts of proposals received as a result of this request. The notification of rejection of all proposals must include an explanation for all proposals being rejected. The solicitation for proposals may be canceled at any time if it is considered to be in the state's best interest in the commissioner's sole discretion. If the commissioner rejects all proposals or cancels the solicitation for proposals, the commissioner may resolicit a request for proposals using the same or different requirements or request the board to select a designer pursuant to section 16B.33 and proceed with the design-bid-build or contractor preselect delivery method.

Subd. 6. [QUALIFICATION; PHASE-ONE SUBMITTAL.] (a) In phase one, the board and commissioner shall evaluate the design-build qualifications of the design-builders who responded to the request for proposals with phase-one submittals based on each design-builder's experience,

technical competence, and capability to perform; the past performance of the design-builder and its employees, quality control organization and system, sustainability, and life-cycle costing methodology; and other appropriate facts submitted by each design-builder in response to the request for proposals all pursuant to the weighted criteria that are stated for phase-one evaluations in the request for proposals. The phase-one or phase-two evaluation of the "past performance" or "experience" of a proposer must not include the exercise or assertion of a person's legal rights. The board or commissioner may require clarifications or further information from design-builders to ensure conformance of proposals with the request for proposals and the design criteria.

(b) If the project is within the capitol area, the capitol area architecture and planning board, as defined in section 15.50, shall participate in the evaluation of phase-one submittals.

(c) The board shall select to a short list the most qualified design-builders that have responded with phase-one submittals based on the weighted criteria for phase-one evaluations stated in the request for proposals. For projects involving only renovation, in the discretion of the commissioner, the design-builder may be selected only on the phase-one submissions, or after a phase-two submission. For all other projects, the board shall short-list at least three potential design-builders to submit phase-two proposals. The board shall not proceed to obtain phase-two proposals or make a selection, as applicable, unless it receives phase-one submittals from at least three qualified design-builders. If the board receives fewer than three phase-one submittals from qualified design-builders, the commissioner may cancel the solicitation for proposals, revise the request for proposals, and solicit new proposals or request the board to select a designer pursuant to section 16B.33 and proceed with the design-bid-build delivery method.

(d) The commissioner shall enter into the professional and technical services contract included in the request for proposals with each of the design-builders qualified by the board to submit phase-two proposals.

Subd. 7. [PHASE-TWO PROPOSALS.] (a) The professional and technical services contract with the design-builders selected to submit phase-two proposals provided in the request for proposals must require at least the following:

(1) preliminary plans and specifications, renderings, and models as may be required in the request for proposals in sufficient detail, to describe the character, quality, and scope of the project;

(2) a design and construction schedule;

(3) the all-inclusive fixed price at which the design-builder will complete the project if the phase-two proposal is accepted, including a total development cost budget in detail by building component with all soft costs, allowances, and design fees; and

(4) other materials the board or commissioner determines are necessary to fix the design, schedule, and cost of the project.

(b) Phase-two 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.

(c) Phase-two proposals must identify each person with whom the design-builder proposes to enter into subcontracts for primary design and construction obligations under the design-build contract. Persons so identified may not be replaced without the approval of the commissioner, or the award may be revoked.

(d) A written statement must be provided indicating that the phase-two proposal meets all requirements of the request for proposals.

(e) The commissioner may require each design-builder to submit with its phase-one or phase-two proposal, as applicable, a cash deposit or bid bond in the amount of five percent of the budget for the design-build contract. If the phase-one or phase-two proposal, as applicable, is accepted but the design-builder fails to execute the design-build contract, the deposit or bond is forfeited to the extent allowable under law including the cost to the state of delays, resolicitation, and other results of the failure of the selected design-builder to enter into the design-build contract.

Subd. 8. [DESIGN-BUILDER SELECTION.] (a) After obtaining and evaluating proposals from each design-builder according to the criteria and procedures in the request for proposals, the board shall rank the phase-one or phase-two proposals, as applicable, and select the proposal that is rated the highest based on the weighted evaluation criteria in the request for proposal. The board or commissioner may require clarifications or further information from design-builders during the evaluation process. Selection according to this method may result in an award not being made to the lowest cost proposal.

(b) Prior to final selection, the board or commissioner may conduct discussions with the design-builder offering the top ranked phase-two proposal to insure selection of the proposal that is the best value based on the weighted evaluation criteria in the request for proposal. The board or commissioner may remove the top-ranked proposal from consideration and proceed to consider the next ranked proposal at any time.

(c) If the project is within the capitol area, the capitol area architecture and planning board shall participate in the evaluation of phase-two proposals.

Subd. 9. [AWARD OF DESIGN-BUILD CONTRACT.] (a) The commissioner may award and enter into the design-build contract with the design-builder that submitted the phase-one or phase-two proposal, as applicable, rated highest based on the weighted evaluation criteria as evaluated by the board after any clarifications and/or discussions, or as determined in subdivision 8.

(b) The commissioner may negotiate additional provisions to the design-build contract awarded under the request for proposals.

Subd. 10. [EXPIRATION.] This section expires January 1, 2004.

Sec. 41. Minnesota Statutes 2000, section 85.019, subdivision 4a, is amended to read:

Subd. 4a. [NATURAL AND SCENIC AREAS.] The commissioner shall administer a program to provide grants to units of government and school districts for the acquisition and betterment of natural and scenic areas such as blufflands, prairies, shorelands, wetlands, and wooded areas. A grant may not exceed 50 percent or \$500,000, whichever is less, of the costs of acquisition and betterment of land acquired under this subdivision. The commissioner shall make payment to a unit of government upon receiving documentation of reimbursable expenditures.

Sec. 42. Minnesota Statutes 2000, section 85.019, subdivision 4c, is amended to read:

Subd. 4c. [~~LOCAL TRAIL CONNECTIONS.~~] The commissioner shall administer a program to provide grants to units of government for up to 50 percent of the costs of acquisition and betterment of public land and improvements needed for trails that connect communities, trails, and parks and thereby increase the effective length of trail experiences. Recipients must provide a nonstate cash match of at least one-half of total eligible project costs. If land used for the trails is not in full public ownership, then the recipients must prove it is dedicated to the purposes of the grants for at least 20 years. The commissioner shall make payment to a unit of government upon receiving documentation of reimbursable expenditures. A unit of government may enter into a lease or management agreement for the trail, subject to section 16A.695.

Sec. 43. Minnesota Statutes 2000, section 103F.205, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 103F.201 to ~~103F.224~~ 103F.225.

Sec. 44. [103F.225] [SHORELAND PROTECTION PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The board of water and soil resources shall establish a program to acquire conservation easements in environmentally sensitive lake and river shoreland areas from private landowners and to provide for the restoration of degraded or eroded shoreland where a public interest in the form of a conservation easement exists. The board may award grants to local soil and water conservation districts and participating local units of government to accomplish the purposes of the program.

Subd. 2. [CRITERIA.] A participating soil and water conservation district must establish a working group of interested individuals. The working groups, along with the county board and the soil and water conservation district, must develop criteria for acquisition of lake and river shoreland conservation easements and restoration of degraded or eroded shoreland.

Subd. 3. [USE OF GRANTS.] The board, a participating soil and water conservation district, or local unit of government may use a grant to acquire shoreland conservation easements, and to restore degraded or eroded shoreland. The grant may be up to 100 percent of the cost of acquisition of the easement and up to 75 percent of the cost of restoration. A conservation easement, as defined in section 84C.01, must be permanent and is subject to section 103F.515, subdivisions 3 to 6, 8 and 9. Section 273.117 applies to conservation easements granted under this program.

Sec. 45. Minnesota Statutes 2000, section 115A.151, is amended to read:

115A.151 [STATE AND LOCAL FACILITIES.]

(a) A state agency, local unit of government, or school district shall:

(1) ensure that facilities under its control, from which mixed municipal solid waste is collected, have containers for at least three recyclable materials, such as, but not limited to, paper, glass, plastic, and metal; and

(2) transfer all recyclable materials collected to a recycler.

(b) An entity that receives an appropriation from the state for a capital improvement project after the effective date of this section must comply with the requirements in paragraph (a).

Sec. 46. [116J.431] [GREATER MINNESOTA BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM ESTABLISHED.] The commissioner shall make grants to cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible economic development project. The city receiving a grant must provide for the remainder of the costs of the project, either in cash or in kind. In-kind contributions may include the value of site preparation other than the public infrastructure needed for the project.

For purposes of this section, "city" means a statutory or home rule charter city located outside the metropolitan area, as defined in section 473.121, subdivision 2.

"Public infrastructure" means publicly owned physical infrastructure necessary to support economic development projects, including, but not limited to, sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

The purpose of the grants is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development.

Subd. 2. [ELIGIBLE PROJECTS.] An economic development project for which a city may be eligible to receive a grant under this section includes:

(1) manufacturing;

(2) technology;

(3) warehousing and distribution;

(4) research and development;

(5) agricultural operations; or

(6) industrial park development that would be used by any other business listed in this subdivision.

Subd. 3. [INELIGIBLE PROJECTS.] The following projects are not eligible for a grant under this section:

- (1) retail development; or
- (2) office space development, except as incidental to an eligible purpose.

Subd. 4. [APPLICATION.] The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a city must include in its application a resolution of the city council certifying that the required local match is available. The commissioner must award grants for complete applications for eligible projects on a first-come, first-served basis.

Subd. 5. [SET ASIDES.] (a) During the first two years of the program, 20 percent of the amount available, up to \$3,000,000, must be used only for grants to cities of the fourth class.

(b) Twenty percent of the amount available, up to \$3,000,000, must be used only for grants for industrial park developments.

Subd. 6. [MAXIMUM GRANT AMOUNT; MATCH.] A city may receive no more than \$1,000,000 in two years for one or more projects.

Subd. 7. [CANCELLATION OF GRANT; RETURN OF GRANT MONEY.] If after five years, the commissioner determines that a project has not proceeded in a timely manner and is unlikely to be completed, the commissioner must cancel the grant and require the grantee to return all grant money awarded for that project. For industrial park development projects, if after five years the industrial park is not developed and available for business use, the commissioner must cancel the grant and require the grantee to return all grant money for that project. If the industrial park is developed and available for use within five years, but no businesses have located in the park, the grantee is not required to return any grant money.

Subd. 8. [APPROPRIATION.] Grant money returned to the commissioner is appropriated to the commissioner to make additional grants under this section.

Sec. 47. [116J.571] [CREATION OF ACCOUNTS.]

Two greater Minnesota redevelopment accounts are created, one in the general fund and one in the bond proceeds fund. Money in the accounts may be used to make grants as provided in section 116J.575. Money in the bond proceeds fund may only be used for eligible costs for publicly owned property. Money in the general fund may be used to pay for the commissioner's costs in reviewing the applications.

Sec. 48. [116J.572] [DEFINITIONS.]

Subdivision 1. [SCOPE OF APPLICATION.] For purposes of sections 116J.571 to 116J.575, the terms in this section have the meanings given.

Subd. 2. [DEVELOPMENT AUTHORITY.] "Development authority" includes a statutory or home rule charter city, county, housing and redevelopment authority, economic development authority, or port authority located outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 3. [ELIGIBLE COSTS OR COSTS.] "Eligible costs" or "costs" means the costs of land acquisition, stabilizing unstable soils, demolition, infrastructure improvements, ponding or other environmental infrastructure; building construction, design and engineering; and adaptive reuse of buildings. Eligible costs do not include project administration and legal fees.

Subd. 4. [REDEVELOPMENT.] "Redevelopment" means recycling obsolete, abandoned, or underutilized properties for new industrial, commercial, or residential uses.

Sec. 49. [116J.573] [CRITERIA FOR ACCOUNTS AND PROJECTS.]

Subdivision 1. [ACCOUNTS.] Criteria for use of the accounts created in section 116J.571 must be consistent with and promote the purposes of sections 116J.571 to 116J.575. They include, but are not limited to:

- (1) creating and preserving living wage jobs in greater Minnesota;
- (2) creating incentives for communities to include a full range of housing opportunities;
- (3) creating incentives for all communities to implement compact, efficient, and mixed-use development; and
- (4) creating incentives to assist communities in maintaining a unique sense of place by preserving local, cultural assets.

Subd. 2. [PROJECTS.] To be eligible for funding by the greater Minnesota redevelopment account, a project must:

- (1) interrelate redevelopment with other public investments in transportation, housing, schools, energy, utilities information infrastructure, and other public services;
- (2) interrelate affordable housing and employment growth areas;
- (3) intensify land use that leads to more compact redevelopment;
- (4) involve redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income areas to achieve a mix of housing opportunities;
- (5) involve participation from citizens and the business community in the planning and development of the proposed redevelopment plan;
- (6) encourage public infrastructure investments which attract private sector redevelopment investment in commercial, industrial, and residential properties adjacent to public improvements, and provide project area residents with expanded opportunities for private sector employment; or
- (7) be sustainable at the local level and reduce the probability of future requests for state development, maintenance, or replacement assistance.

Subd. 3. [OTHER FACTORS.] The factors listed in subdivisions 1 and 2 are not ranked in order of priority. Rather, the commissioner may weigh each factor depending upon the facts and circumstances as the commissioner considers appropriate. The commissioner may consider other factors including, but not limited to, blight reduction, community stabilization, and property tax base maintenance or improvement.

Subd. 4. [PARTNERSHIPS.] The commissioner shall give priority to proposals using innovative financial partnerships between government, private for-profit, and nonprofit sectors as well as to proposals that meet current tax increment financing requirements for a redevelopment district and contribute tax increment financing towards the project.

Subd. 5. [ANNUAL REPORT.] The commissioner shall prepare and submit to the legislature an annual report on the greater Minnesota redevelopment account. The report must include information on the amount of money in the account, the amount distributed, to whom the grants were distributed and for what purposes, and an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the program.

Sec. 50. [116J.574] [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATION REQUIRED.] To obtain a grant, a development authority shall apply to the commissioner.

Subd. 2. [REQUIRED CONTENT.] The commissioner shall prescribe and provide the application form. The application must include at least the following information:

- (1) identification of the site;
- (2) a detailed budget, including necessary supporting evidence, of the total costs for the site including the total eligible redevelopment costs;
- (3) a complete redevelopment plan, including any specific commitments from third parties to construct improvements on the site;
- (4) a complete financing plan, including the manner in which the development authority uses innovative financial partnerships between government, private for-profit, and nonprofit sectors; and
- (5) any additional information or material that the commissioner prescribes.

Sec. 51. [116J.575] [GRANTS.]

Subdivision 1. [COMMISSIONER DISCRETION.] The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section and sections 116J.571 to 116J.574 and available unencumbered money in the greater Minnesota redevelopment account. The commissioner's decisions and application of the priorities under this section are not subject to judicial review, except for abuse of discretion.

Subd. 2. [APPLICATION CYCLES.] In making grants, the commissioner shall establish semiannual application deadlines in which grants will be authorized from all or part of the available money in the account.

Sec. 52. [134.51] [MIGHTY BOOKS GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of children, families, and learning shall award grants for the mighty books program to assist Minnesota communities to construct new, expand, or renovate libraries.

Subd. 2. [ELIGIBILITY; DEFINITION.] Public library jurisdictions may apply for grants to construct new, expand, or renovate existing library facilities. For purposes of this section, "public library jurisdictions" means regional public library systems, regional library districts, cities, and counties operating libraries under Minnesota Statutes, chapter 134, that are members of regional public library systems.

Subd. 3. [APPLICATION.] The commissioner shall develop guidelines and a process for grant application; prepare application forms; and establish application dates.

Subd. 4. [QUALIFICATIONS.] A public library jurisdiction may apply for a grant in an amount up to \$250,000 or 50 percent of the approved costs, whichever is less. The public library jurisdiction must provide a one-to-one match of nonstate money.

Subd. 5. [APPROVAL BY COMMISSIONER.] The commissioner of children, families, and learning, in consultation with the state council on disability, shall examine and consider all applications for grants and may approve or disapprove applications. If a public library jurisdiction is found not qualified, the commissioner shall promptly notify it. The grant money must be used to renovate or expand an existing building for use as a library; to construct a new library building; or to remove architectural barriers from a building or a site. First priority shall be given to applications for removing architectural barriers from a building.

Subd. 6. [AWARD OF GRANTS.] The commissioners shall prioritize grants on the following basis: the degree of collaboration with other public or private agencies; the public library jurisdiction tax burden; the long-term feasibility of the project; and the suitability of and need for the project. If the total amount of the applications exceeds the amount that is or can be made available, the commissioner shall award grants according to the commissioner's judgment and discretion and based upon a ranking of the projects according to the factors listed in this subdivision. The commissioner shall promptly certify to each public library jurisdiction the amount, if any, of the grant awarded to it.

Sec. 53. Minnesota Statutes 2000, section 135A.046, subdivision 2, is amended to read:

Subd. 2. [STANDARDS.] Capital budget expenditures for Higher Education Asset Preservation and Replacement (HEAPR) projects must be for one or more of the following: code compliance including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; or building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; or renewal to support the existing programmatic mission of the campuses. Up to ten percent of an appropriation awarded under this section may be used for design costs for projects eligible to be funded from this account in anticipation of future funding from the account.

Sec. 54. Minnesota Statutes 2000, section 136F.16, subdivision 3, is amended to read:

Subd. 3. [OFF-CAMPUS SITES.] The board shall not establish off-campus centers or other permanent sites to provide academic programs, courses, or student services without authorizing legislation. ~~For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area.~~ This section does not apply to sites set up specifically for the delivery of courses and programs through telecommunications.

Sec. 55. Minnesota Statutes 2000, section 136F.60, subdivision 1, is amended to read:

Subdivision 1. [~~PURCHASE OF NEIGHBORING PROPERTY; STATE UNIVERSITIES.~~] The board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of a state college or university. Before taking action, the board shall consult with the chairs of the senate finance committee and the house ways and means committee about the proposed action. The board shall explain the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition. The amount needed may be spent from sums previously appropriated for purposes of the state colleges and universities, including, but not limited to, general fund appropriations for instructional or noninstructional expenditures, general fund appropriations carried forward, or state college and university activity fund appropriations. The board may pay relocation costs, at its discretion, when acquiring property.

Sec. 56. Minnesota Statutes 2000, section 446A.072, subdivision 4, is amended to read:

Subd. 4. [FUNDING LEVEL.] (a) The authority shall provide supplemental assistance for essential project component costs as certified by the commissioner of the pollution control agency under section 116.182, subdivision 4.

(b) Except as provided in paragraph (c), a municipality may not receive more than \$4,000,000, or \$15,000 per existing connection, whichever is less, under this section unless specifically approved by law. If a project would be eligible for more than \$4,000,000 under paragraph (e), the authority shall include a description of the project and the financing plan in its report on needs in subdivision 11. For a municipality receiving grant funding after January 1, 2002, the authority shall provide assistance in the form of a grant of up to \$30,000 per existing connection if the authority determines that the municipality's construction and installation costs are significantly increased due to geological conditions and more stringent discharge limits.

(c) A sanitary district or multijurisdictional wastewater treatment district may receive an additional \$1,000,000 for each municipality participating up to a maximum grant of \$8,000,000, unless a higher amount is specifically approved by law. If a project would be eligible for more than \$8,000,000 under paragraph (e), the authority shall include a description of the project and the financing plan in its report on needs in subdivision 11.

(d) The authority shall provide supplemental assistance for up to one-half of the eligible grant funding level determined by the United States Department of Agriculture Rural Development funding for projects listed on the agency's project priority list, in priority order. In the case of multijurisdictional projects when the United States Department of Agriculture Rural Development is unable to fully fund up to one-half of the eligible grant amount, the authority may provide up to an additional \$1,000,000 for each municipality participating up to the limits under paragraph (c)

but not to exceed the maximum grant level determined by the United States Department of Agriculture Rural Development as needed to keep the project affordable. For municipalities that are not eligible for United States Department of Agriculture Rural Development funding for wastewater, the authority shall provide supplemental assistance for: (1) essential project component costs calculated by first determining the amount needed to reduce a municipality's annual residential sewer costs to 1.4 percent of the municipality's median household income or \$25 per month per household, whichever is greater, and then multiplying that amount by 80 percent to determine the actual award amount to supplement loans under section 446A.07; and (2) up to 50 percent of the incremental costs specifically identified by the agency as being attributable to more stringent wastewater standards required to protect outstanding resource value waters or outstanding international resource value waters.

(e) Notwithstanding paragraph (b), in the event that a municipality's monthly residential sewer service charges average above \$50, the authority will provide 90 percent of the grant amount needed to reduce the average monthly sewer service charge to \$50, provided the project is ranked in the top 50 percentile of the agency's intended use plan.

(f) The authority shall provide supplemental assistance to a municipality that would not otherwise qualify for supplemental assistance if:

(1) the municipality voluntarily accepts a sewer connection from another governmental unit to serve residential, industrial, or commercial developments that were completed before March 1, 1996, or are on lots whose plats were recorded before that date; and

(2) fees charged by the municipality for the connection must take into account state and federal grants used by the municipality for the construction of the treatment plant.

The amount of supplemental assistance under this paragraph must be sufficient to reduce debt service payments under section 446A.07 to an extent equivalent to a zero percent loan in an amount up to the other governmental unit's project costs necessary for connection. Eligibility for supplemental assistance under this paragraph ends three years after the agency certifies that the connection has met the operational performance standards established by the agency.

Sec. 57. Laws 2000, chapter 492, article 1, section 15, subdivision 4, is amended to read:

Subd. 4. Minnesota

Military Museum at Camp Ripley

125,000

To upgrade the electrical and lighting, and heating, ventilation, and air conditioning systems in the main building of the Minnesota military museum, to design and construct, furnish and equip, including permanent display cases, an addition to the museum, and to insulate a heating system in building I-40. The adjutant general may enter into a lease or management agreement for the museum, subject to Minnesota Statutes, section 16A.695.

Sec. 58. Laws 2000, chapter 492, article 1, section 22, subdivision 3, as amended by Laws 2000, chapter 499, section 15, which amendment was reenacted in Laws 2001, First Special Session chapter 12, section 15, is amended to read:

Subd. 3. Wastewater Infrastructure

Funding Program

18,319,000

\$6,309,000 ~~\$4,309,000~~ of this appropriation is from the general fund of which \$319,000 is to administer the wastewater infrastructure fund program.

To the public facilities authority for grants to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest extent practical, the authority should use the grants for projects on the 2000 intended use plan in priority order to qualified applicants that submit plans and specifications to the pollution control agency or receive a funding commitment from USDA rural development before December 1, 2001. In determining whether the penalty factor under Minnesota Rules, part 7077.0196, should be applied to a project, the pollution control agency shall, beginning with the 2001 Intended Use Plan and Project Priority list, first assess the impact of the new or expanded discharge compared to the impact of the preexisting conditions and to the impact of alternative discharge locations. If the agency determines that the new or expanded discharge is to a less environmentally sensitive area or that it is the preferable location for the discharge compared to the alternatives, the agency shall not apply the penalty factor to the project. The pollution control agency shall include as a factor in prioritizing projects whether a project is a multijurisdictional project connecting areas with failing onsite treatment systems with an existing or regional wastewater treatment system.

The authority shall set aside up to \$400,000 for the Innovative Technology Grants Program to provide 50 percent reimbursement for the cost of equipment and installation into an existing municipal wastewater treatment system. The project must be approved by the pollution control agency and demonstrate the application of existing technology that has not been used before in the treatment of municipal wastewater, but has the potential to improve the treatment of wastewater or make the treatment process more cost effective.

Beginning with the 2001 intended use plan, the pollution control agency shall include whether a community has a moratorium on development as a factor in prioritizing projects. The agency shall adopt rules implementing the provisions of this paragraph under Minnesota Statutes, section 14.389.

Sec. 59. Laws 2000, chapter 492, article 1, section 22, subdivision 4, is amended to read:
Subd. 4. Clean Water Partnership 2,000,000

For deposit in the water pollution control fund under Minnesota Statutes, section 446A.07, for the clean water partnership loan program under Minnesota Statutes, section 103F.725. This appropriation is from the general fund.

Sec. 60. Laws 2000, chapter 492, article 1, section 27, is amended to read:

Sec. 27. [CANCELLATIONS AND TRANSFERS.]

(a) The \$734,000 appropriation in Laws 1994, chapter 643, section 18, for the design of the labor interpretive center is canceled. The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, is reduced by \$734,000.

(b) The \$1,100,000 appropriation in Laws 1994, chapter 643, section 19, subdivision 9, as amended by Laws 1995, chapter 224, section 124, and Laws 1997, chapter 183, article 3, section 30, for the American Indian history center at Bemidji state university is canceled. The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, is reduced by \$1,100,000.

(c) \$130,000 of the appropriation in Laws 1994, chapter 643, section 23, for dam improvements is canceled. The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, is reduced by \$130,000.

(d) \$383,000 of the appropriation in Laws 1996, chapter 463, section 13, subdivision 9, for a support services facility near the corner of Mississippi Street and University Avenue is canceled. The bond sale authorization in Laws 1996, chapter 463, section 27, subdivision 1, is reduced by \$383,000.

(e) The unobligated balance of the appropriation in Laws 1996, chapter 463, section 15, subdivision 4, for an armory facility and ramp near the corner of Rice Street and University Avenue, estimated to be \$197,000, is canceled to the general fund.

(f) \$1,355,000 of the appropriation in Laws 1996, chapter 463, section 16, subdivision 5, for the Brainerd bed expansion project is canceled. The bond sale authorization in Laws 1996, chapter 463, section 27, subdivision 1, is reduced by \$1,355,000.

(g) The \$500,000 appropriation in Laws 1996, chapter 463, section 22, subdivision 7, for the Battle Point historic site is canceled. The bond sale authorization in Laws 1996, chapter 463, section 27, subdivision 1, is reduced by \$500,000.

(h) \$10,000,000 of the appropriation in Laws 1997, Second Special Session chapter 2, section 2, for public safety disaster assistance funds is canceled. The bond sale authorization in Laws 1997, Second Special Session chapter 2, section 12, is reduced by \$10,000,000.

(i) \$5,800,000 of the appropriation in Laws 1998, chapter 404, section 13, subdivision 5, for the Minnesota labor interpretive center is canceled to the general fund.

(j) \$1,893,000 of the appropriation in Laws 1998, chapter 404, section 5, subdivision 5, for the Southwest Metropolitan Integration Magnet School in Edina is canceled to the general fund.

(k) The \$800,000 appropriation in Laws 1998, chapter 404, section 15, subdivision 5, for a tennis facility in the city of St. Paul is canceled to the general fund.

(l) The \$1,700,000 appropriation in Laws ~~1998~~ 1999, chapter ~~404~~ 240, article ~~2~~ 2, section ~~22~~ 11, for the Battle Point cultural education center is canceled. The bond sale authorization in Laws ~~1998~~ 1999, chapter ~~404~~ 240, article ~~2~~ 2, section ~~27~~ 16, subdivision 1, is reduced by \$1,700,000.

(m) The balance of the appropriation in Laws ~~1998~~ 1999, chapter ~~404~~ 240, article ~~2~~ 2, section ~~23~~ 12, subdivision ~~4~~ 5, for the St. Cloud community events center is transferred to the board of trustees of the Minnesota state colleges and universities to construct a new athletic facility on the south side of the existing St. Cloud State University campus. The balance of the bond sale

authorization in Laws ~~1998~~ 1999, chapter ~~404~~ 240, article ~~2~~ 2, section ~~27~~ 16, subdivision 1, attributable to the events center project is to provide the money for the athletic facility project.

(n) \$1,000,000 of the appropriation in Laws ~~1998~~ 1999, chapter ~~404~~ 240, article ~~2~~ 2, section ~~23~~ 12, subdivision ~~24~~ 14, for the Minnesota African-American Performing Arts Center is canceled. The bond sale authorization in Laws ~~1998~~ 1999, chapter ~~404~~ 240, article ~~2~~ 2, section ~~27~~ 16, subdivision 1, is reduced by \$1,000,000.

(o) The \$4,000,000 appropriation in Laws 1999, chapter 240, article 1, section 3, for the Southwest Metropolitan Integration Magnet School in Edina is canceled. The bond sale authorization in Laws 1999, chapter 240, article 1, section 13, is reduced by \$4,000,000.

(p) \$321,000 of the unobligated balance of the appropriation in Laws 1999, chapter 250, article 1, section 12, subdivision 5, to demolish the capitol square building and restructure the site as a temporary parking lot is canceled to the general fund.

Sec. 61. Laws 2001, First Special Session chapter 12, section 10, is amended to read:
Sec. 10. BOND SALE SCHEDULE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2003, no more than ~~\$629,739,000~~ \$617,839,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 62. [DULUTH GOVERNMENT SERVICES CENTER SALE.]

Notwithstanding Minnesota Statutes, sections 16A.695 and 94.09, or other law, administrative rule, or commissioner's order to the contrary, the state of Minnesota by and through its department of administration, shall at the request of the St. Louis county board of commissioners, sell and convey to St. Louis county by December 31, 2002, for a consideration in the amount of \$2,300,000, certain real property known as the government services center and parking ramp legally described as:

lots 50, 52, 54, 56, 58, 60, 62, 64, Duluth proper first division, West Second Street.

The conveyance must be in a form approved by the attorney general.

All rights, obligations, and remedies under existing leases of said real property are merged with this conveyance. Current leasehold rights and obligations must be assigned to St. Louis county.

St. Louis county shall, for a period of at least ten years following sale of the above-described property, continue to allow the state of Minnesota to lease the space occupied by the state of Minnesota at the time of the sale at the current lease rate with adjustment for operational costs.

Sec. 63. [REPEALER.]

Minnesota Statutes 2000, sections 116J.561; 116J.562; 116J.563; 116J.564; 116J.565; 116J.566; 116J.567; 134.45; and 136F.13, are repealed.

Sec. 64. [EFFECTIVE DATE.]

This act is effective the day following final enactment, except that section 60 is effective retroactively to May 16, 2000."

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing spending to improve and rehabilitate railroad rights-of-way and other rail facilities whether public or private; requiring certain studies and reports; authorizing sale of state bonds; appropriating money; amending Minnesota Statutes 2000, sections 16A.11, subdivision 6; 16A.501; 16A.632, subdivision 2; 16A.86, subdivision 3; 16B.31, subdivision 1; 16B.33, by adding a subdivision; 16B.335, subdivision 3; 85.019, subdivisions 4a, 4c; 103F.205, subdivision 1; 115A.151; 135A.046, subdivision 2; 136F.16, subdivision 3; 136F.60, subdivision 1; 446A.072, subdivision 4; Laws 2000, chapter 492, article 1, section 15, subdivision 4; Laws 2000, chapter 492, article 1, section 22, subdivision 3, as amended; Laws 2000, chapter 492, article 1, section 22, subdivision 4; Laws 2000, chapter 492, article 1, section 27; Laws 2001, First Special Session chapter 12, section 10; proposing coding for new law in Minnesota Statutes, chapters 16C; 103F; 116J; 134; repealing Minnesota Statutes 2000, sections 116J.561; 116J.562; 116J.563; 116J.564; 116J.565; 116J.566; 116J.567; 134.45; 136F.13."

The motion prevailed. So the amendment was adopted.

H.F. No. 3618 was read the third time, as amended, and placed on its final passage.

Pursuant to Rule 41, Senator Krentz moved that she be excused from voting on H.F. No. 3618. The motion prevailed.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 14, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Larson	Pappas	Solon, Y.P.
Belanger	Hottinger	Lesewski	Pogemiller	Stumpf
Berg	Johnson, Dave	Lessard	Price	Terwilliger
Berglin	Johnson, Dean	Lourey	Ranum	Tomassoni
Betzold	Johnson, Doug	Marty	Rest	Vickerman
Chaudhary	Kelley, S.P.	Metzen	Ring	Wiener
Cohen	Kierlin	Moe, R.D.	Sabo	Wiger
Dille	Kinkel	Moua	Sams	
Foley	Kiscaden	Oliver	Samuelson	
Fowler	Kleis	Olson	Scheid	
Frederickson	Langseth	Orfield	Schwab	

Those who voted in the negative were:

Bachmann	Johnson, Debbie	Neuville	Reiter	Scheevel
Day	Knutson	Ourada	Robertson	Stevens
Fischbach	Limmer	Pariseau	Robling	

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Senator Moe, R.D. moved that the Senate take up the Consent Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CONSENT CALENDAR

S.F. No. 2392: A bill for an act relating to public safety; modifying emergency 911 telephone system provisions to establish emergency 911 telecommunications system; amending Minnesota Statutes 2000, sections 403.01; 403.02, subdivisions 3, 6, 7, by adding subdivisions; 403.05; 403.06; 403.07; 403.08; 403.09; 403.10, subdivision 1; 403.11, subdivisions 3, 4, by adding subdivisions; 403.113, subdivision 1; Minnesota Statutes 2001 Supplement, section 403.11, subdivision 1; repealing Minnesota Statutes 2000, sections 403.04; 403.11, subdivision 2; 403.113, subdivision 5; 403.12, subdivision 1; 403.13; 403.14; Minnesota Rules, parts 1215.0400; 1215.0600; 1215.0700; 1215.1200, subpart 3; 1215.1500.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2569: A bill for an act relating to veterans homes; clarifying items to be considered means of support; amending Minnesota Statutes 2000, section 198.03, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Senator Murphy was excused from the Session of today.

MEMBERS EXCUSED

Senators Chaudhary and Lourey were excused from the Session of today from 9:00 to 9:45 a.m. Senator Johnson, Doug was excused from the Session of today from 9:00 to 11:00 a.m. Senator Moe, R.D. was excused from the Session of today from 9:00 to 11:30 a.m. Senator Kinkel was excused from the Session of today from 9:55 to 10:20 a.m. Senator Johnson, Dave was excused from the Session of today from 10:45 to 11:10 a.m. Senator Lessard was excused from the Session of today from 11:00 to 11:35 a.m.

ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Wednesday, March 20, 2002. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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