

ONE HUNDRED NINETEENTH DAY

St. Paul, Minnesota, Sunday, May 18, 2008

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by Senator Dan Skogen.

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

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

Anderson	Erickson Ropes	Langseth	Ortman	Sieben
Bakk	Fischbach	Larson	Pappas	Skoe
Berglin	Foley	Latz	Pariseau	Skogen
Betzold	Frederickson	Limmer	Pogemiller	Sparks
Bonoff	Gerlach	Lourey	Prettner Solon	Stumpf
Carlson	Gimse	Lynch	Rest	Tomassoni
Chaudhary	Hann	Marty	Robling	Torres Ray
Clark	Higgins	Metzen	Rosen	Vandever
Cohen	Ingebrigtsen	Michel	Rummel	Vickerman
Dahle	Johnson	Moua	Saltzman	Wergin
Day	Jungbauer	Murphy	Saxhaug	Wiger
Dibble	Koch	Olseen	Scheid	
Dille	Koering	Olson, G.	Senjem	
Doll	Kubly	Olson, M.	Sheran	

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2492: A bill for an act relating to state government; appropriating money for

environment and natural resources; providing for repayment of certain appropriations from the environment and natural resources trust fund; amending Minnesota Statutes 2006, section 116P.10.

There has been appointed as such committee on the part of the House:

Wagenius, Tingelstad and Rukavina.

Senate File No. 2492 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 17, 2008

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 3780, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 3780: A bill for an act relating to occupations and professions; allowing optometrists to dispense a legend drug at retail under certain conditions; amending Minnesota Statutes 2006, sections 145.711, by adding a subdivision; 148.574.

Senate File No. 3780 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 17, 2008

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 3056, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 3056: A bill for an act relating to natural resources; modifying permanent school fund provisions; providing for disposition of proceeds from sale of administrative sites; modifying certain requirements for environmental learning centers; appropriating money; amending Minnesota Statutes 2006, sections 16A.06, by adding a subdivision; 84.027, by adding a subdivision; 84.0857; 84.0875; 94.16, subdivision 3; 127A.30.

Senate File No. 3056 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 17, 2008

MOTIONS AND RESOLUTIONS

Senator Jungbauer introduced –

Senate Resolution No. 234: A Senate resolution recognizing Minnesota child care providers for their invaluable work.

Referred to the Committee on Rules and Administration.

RECESS

Senator Betzold 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.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 3363, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 3363: A bill for an act relating to state government; improving access to budget information by members of the legislature; specifying the development of budget recommendations and requiring state agencies to provide information; establishing a subcommittee of the Legislative Commission on Planning and Fiscal Policy; requiring disclosure of status of fiscal note requests; providing for appeal of fiscal note conclusions; modifying state budget requirements; incorporating Minnesota Milestones goals and indicators in budget preparation; requiring commissioner of finance to adjust for projected inflation in forecasting state expenditures; requiring a forecast of cash flow for the general fund; providing deadline for modifying budget after February forecast; specifying format for detailed budget estimates of expenditures; imposing deadline for notice of deficiency requests; providing a process to increase the budget reserve; requiring state agencies with certain information and telecommunications technology projects to register with the Office of Enterprise Technology and requiring the office to monitor progress on the projects; requiring the Office of Enterprise Technology to report to the legislature regarding its approval process for state agency technology requests and assistance provided to state agencies in developing agency

information systems plans; providing additional whistleblower protection to state employees; providing additional duties for the Sesquicentennial Commission; establishing a working group; eliminating obsolete requirements; amending Minnesota Statutes 2006, sections 3.885, subdivisions 4, 5, by adding subdivisions; 3.98, subdivision 4, by adding a subdivision; 3.987, subdivision 1, as amended; 13.605, subdivision 1; 16A.10, subdivisions 1, 1c, 2, by adding a subdivision; 16A.103, subdivisions 1a, 1b; 16A.11, subdivisions 1, 3, by adding a subdivision; 16E.01, subdivision 3; 16E.03, subdivision 1; 16E.04, subdivision 2; Minnesota Statutes 2007 Supplement, sections 16A.152, subdivision 2; 181.932, subdivision 1; Laws 2005, First Special Session chapter 1, article 4, section 121, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 2006, section 16A.152, subdivision 1b.

Senate File No. 3363 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 18, 2008

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3346, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3346 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 18, 2008

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3346

A bill for an act relating to housing; providing assistance to prevent mortgage foreclosure; increasing the maximum amount of financial assistance; amending Minnesota Statutes 2006, section 462A.209, subdivision 7.

May 17, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 3346 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment

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

House Conferees: (Signed) Jim Davnie, Michael V. Nelson, Morrie Lanning

Senate Conferees: (Signed) Linda Higgins, Kevin L. Dahle, Amy T. Koch

Senator Higgins moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3346 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 3346 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Lynch	Rest	Sparks
Berglin	Foley	Marty	Rosen	Stumpf
Betzold	Frederickson	Moua	Rummel	Tomassoni
Bonoff	Higgins	Olseen	Saxhaug	Torres Ray
Chaudhary	Kubly	Olson, G.	Scheid	Vickerman
Clark	Langseth	Olson, M.	Senjem	Wiger
Cohen	Larson	Pappas	Sheran	
Dahle	Latz	Pogemiller	Sieben	
Dibble	Lourey	Prettner Solon	Skogen	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that H.F. No. 615 be taken from the table. The motion prevailed.

Pursuant to Rule 26, Senator Pogemiller, Chair of the Committee on Rules and Administration, designated H.F. No. 615 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 615: A bill for an act relating to education; modifying the sexually transmitted infections and diseases education program; requiring information on certain immunizations; amending Minnesota Statutes 2006, section 121A.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 121A.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of the proceedings on H.F. No. 615. The Sergeant at Arms was instructed to bring in the absent members.

Senator Limmer moved to amend H.F. No. 615 as follows:

Page 1, after line 6, insert:

"Section 1. **[120B.21] TEACHING OF HOMOSEXUALITY OR BISEXUALITY.**

A school district must not authorize or permit the promotion of homosexuality or bisexuality or allow the teaching of homosexuality or bisexuality as an acceptable lifestyle. This promotion or teaching is prohibited."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Pappas moved that H.F. No. 615 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3376, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3376 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 18, 2008

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3376

A bill for an act relating to human services; amending the MFIP work participation program; changing child care assistance provisions; changing the child care assistance sliding fee scale; establishing a child care advisory task force; requiring a mandated report; making technical changes; amending Minnesota Statutes 2006, sections 119B.011, subdivision 17; 119B.03, subdivisions 1, 6; 119B.09, subdivisions 1, 9; 119B.125, by adding a subdivision; 119B.21, subdivision 10; 256E.30, subdivision 1; 256E.35, subdivision 7; 256J.24, subdivision 5; 256J.39, by adding a subdivision; 256J.425, subdivision 1; 256J.521, subdivision 4; 256J.54, subdivisions 2, 5; 256J.545; Minnesota Statutes 2007 Supplement, sections 119B.12; 119B.125, subdivision 2; 119B.13, subdivisions 1, 7; 119B.21, subdivision 5; 119B.231, subdivision 5; 245C.08, subdivision 2; 256E.35, subdivision 2; 256J.20, subdivision 3; 256J.49, subdivision 13; 256J.626, subdivisions 3, 7; 256J.95, subdivision 3; repealing Minnesota Statutes 2006, section 256K.25.

May 17, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 3376 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3376 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MFIP WORK PARTICIPATION AND LICENSING

Section 1. Minnesota Statutes 2006, section 245C.24, subdivision 2, is amended to read:

Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as provided in paragraph (b), the commissioner may not set aside the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 1.

(b) For an individual in the chemical dependency or corrections field who was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and whose disqualification was set aside prior to July 1, 2005, the commissioner must consider granting a variance pursuant to section 245C.30 for the license holder for a program dealing primarily with adults. A request for reconsideration evaluated under this paragraph must include a letter of recommendation from the license holder that was subject to the prior set-aside decision addressing the individual's quality of care to children or vulnerable adults and the circumstances of the individual's departure from that service.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 2. Minnesota Statutes 2007 Supplement, section 256.01, subdivision 2, is amended to read:

Subd. 2. **Specific powers.** Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall carry out the specific duties in paragraphs (a) through (cc):

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

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

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

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

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

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

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

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

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

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

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

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

(f) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical

care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

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

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

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

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

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

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

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

(2) a comprehensive plan, including estimated project costs, shall be approved by the Legislative Advisory Commission and filed with the commissioner of administration.

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

members.

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

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

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to clause (1).

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

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

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

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

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

(3) if the required reports are not received by the deadlines established in clause (2), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received;

(4) a county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance;

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

(6) the commissioner may not delay payments, withhold funds, or require repayment under clause (3) or (5) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under clause (3) or (5), the county board may appeal the action according to sections 14.57 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

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

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

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

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

(v) Have the authority to administer the federal drug rebate program for drugs purchased under the medical assistance program as allowed by section 1927 of title XIX of the Social Security Act and according to the terms and conditions of section 1927. Rebates shall be collected for all drugs that have been dispensed or administered in an outpatient setting and that are from manufacturers who have signed a rebate agreement with the United States Department of Health and Human Services.

(w) Have the authority to administer a supplemental drug rebate program for drugs purchased under the medical assistance program. The commissioner may enter into supplemental rebate contracts with pharmaceutical manufacturers and may require prior authorization for drugs that are from manufacturers that have not signed a supplemental rebate contract. Prior authorization of drugs shall be subject to the provisions of section 256B.0625, subdivision 13.

(x) Operate the department's communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. A communications account may also be established for each regional treatment center which operates communications systems. Each account must be used to manage shared communication costs necessary for the operations of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other costs as determined by the commissioner. Nonprofit organizations and state, county, and local government agencies involved in the operation of programs the commissioner supervises may participate in the use of the department's communications technology and share in the cost of operation. The commissioner may accept on behalf of the state any gift, bequest, devise or personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money received for this purpose must be deposited in the department's communication systems accounts. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

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

money received for the consumer satisfaction survey in either year of the biennium.

(z) Designate community information and referral call centers and incorporate cost reimbursement claims from the designated community information and referral call centers into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Existing information and referral centers provided by Greater Twin Cities United Way or existing call centers for which Greater Twin Cities United Way has legal authority to represent, shall be included in these designations upon review by the commissioner and assurance that these services are accredited and in compliance with national standards. Any reimbursement is appropriated to the commissioner and all designated information and referral centers shall receive payments according to normal department schedules established by the commissioner upon final approval of allocation methodologies from the United States Department of Health and Human Services Division of Cost Allocation or other appropriate authorities.

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

(bb) Authorize the method of payment to or from the department as part of the human services programs administered by the department. This authorization includes the receipt or disbursement of funds held by the department in a fiduciary capacity as part of the human services programs administered by the department.

(cc) Have the authority to administer a drug rebate program for drugs purchased for persons eligible for general assistance medical care under section 256D.03, subdivision 3. For manufacturers that agree to participate in the general assistance medical care rebate program, the commissioner shall enter into a rebate agreement for covered drugs as defined in section 256B.0625, subdivisions 13 and 13d. For each drug, the amount of the rebate shall be equal to the rebate as defined for purposes of the federal rebate program in United States Code, title 42, section 1396r-8. The manufacturers must provide payment within the terms and conditions used for the federal rebate program established under section 1927 of title XIX of the Social Security Act. The rebate program shall utilize the terms and conditions used for the federal rebate program established under section 1927 of title XIX of the Social Security Act.

Effective January 1, 2006, drug coverage under general assistance medical care shall be limited to those prescription drugs that:

(1) are covered under the medical assistance program as described in section 256B.0625, subdivisions 13 and 13d; and

(2) are provided by manufacturers that have fully executed general assistance medical care rebate agreements with the commissioner and comply with such agreements. Prescription drug coverage under general assistance medical care shall conform to coverage under the medical assistance program according to section 256B.0625, subdivisions 13 to 13g.

The rebate revenues collected under the drug rebate program are deposited in the general fund.

Sec. 3. Minnesota Statutes 2006, section 256J.425, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant in an assistance unit subject to the time limit under section 256J.42, subdivision 1, must be in compliance in the participant's 60th counted month. For purposes of determining eligibility for a hardship

extension, a participant is in compliance in any month that the participant has not been sanctioned. In order to maintain eligibility for any of the hardship extension categories a participant shall develop and comply with either an employment plan or a family stabilization services plan, whichever is appropriate.

(b) If one participant in a two-parent assistance unit is determined to be ineligible for a hardship extension, the county shall give the assistance unit the option of disqualifying the ineligible participant from MFIP. In that case, the assistance unit shall be treated as a one-parent assistance unit and the assistance unit's MFIP grant shall be calculated using the shared household standard under section 256J.08, subdivision 82a.

(c) Prior to denying an extension, the county must review the sanction status and determine whether the sanction is appropriate or if good cause exists under section 256J.57. If the sanction was inappropriately applied or the participant is granted a good cause exception before the end of month 60, the participant shall be considered for an extension.

Sec. 4. Minnesota Statutes 2007 Supplement, section 256J.626, subdivision 3, is amended to read:

Subd. 3. **Eligibility for services.** Families with a minor child, a pregnant woman, or a noncustodial parent of a minor child receiving assistance, with incomes below 200 percent of the federal poverty guideline for a family of the applicable size, are eligible for services funded under the consolidated fund. Counties and tribes must give priority to families currently receiving MFIP, the diversionary work program, or family stabilization services, and families at risk of receiving MFIP or diversionary work program. A county or tribe shall not impose a residency requirement on families, except for the residency requirement under section 256J.12.

Sec. 5. Minnesota Statutes 2007 Supplement, section 256J.626, subdivision 7, is amended to read:

Subd. 7. **Performance base funds.** (a) Beginning For calendar year 2008 2009 and yearly thereafter, each county and tribe will be allocated 95 percent of their initial calendar year allocation. Counties and tribes will be allocated additional funds based on performance as follows:

(1) ~~for calendar year 2008 and yearly thereafter~~, a county or tribe that achieves a 50 percent MFIP TANF participation rate or a five percentage point improvement over the previous year's MFIP TANF participation rate under section 256J.751, subdivision 2, clause (7), as averaged across ~~the four quarterly measurements~~ 12 consecutive months for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(2) ~~for calendar years 2005 and thereafter~~, a county or tribe that performs above the top of its annualized range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (6), will receive an additional allocation equal to five percent of its initial allocation; and

(3) ~~for calendar years 2005 and thereafter~~, a county or tribe that performs within or above its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (6), will receive an additional allocation equal to 2.5 percent of its initial allocation; and

~~(4) for calendar years 2008 and thereafter,~~ (3) a county or tribe that does not achieve a 50 percent MFIP TANF participation rate or a five percentage point improvement over the previous year's MFIP TANF participation rate under section 256J.751, subdivision 2, clause (7), as averaged across ~~the four quarterly measurements~~ 12 consecutive months for the most recent year for which the measurements are available, will not receive an additional 2.5 percent of its initial allocation until after negotiating a multiyear improvement plan with the commissioner; or

~~(5) for calendar years 2008 and thereafter,~~ (4) a county or tribe that does not perform within or above its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (6), will not receive an additional allocation equal to 2.5 percent of its initial allocation until after negotiating a multiyear improvement plan with the commissioner.

(b) For calendar year 2009 and yearly thereafter, performance-based funds for a federally approved tribal TANF program in which the state and tribe have in place a contract under section 256.01, addressing consolidated funding, will be allocated as follows:

(1) ~~for calendar year 2006 and yearly thereafter,~~ a tribe that achieves the participation rate approved in its federal TANF plan using the average of ~~four quarterly measurements~~ 12 consecutive months for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

~~(2) for calendar years 2006 and thereafter, a tribe that performs above the top of its annualized range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (6), will receive an additional allocation equal to five percent of its initial allocation; or~~

~~(3) for calendar years 2006 and thereafter,~~ a tribe that performs within or above its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (6), will receive an additional allocation equal to 2.5 percent of its initial allocation; or

~~(4) for calendar year 2008 and yearly thereafter,~~ (3) a tribe that does not achieve the participation rate approved in its federal TANF plan using the average of ~~four quarterly measurements~~ 12 consecutive months for the most recent year for which the measurements are available, will not receive an additional allocation equal to 2.5 percent of its initial allocation until after negotiating a multiyear improvement plan with the commissioner; or

~~(5) for calendar year 2008 and yearly thereafter,~~ (4) a tribe that does not perform within or above its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (6), will not receive an additional allocation equal to 2.5 percent until after negotiating a multiyear improvement plan with the commissioner.

(c) Funds remaining unallocated after the performance-based allocations in paragraph (a) are available to the commissioner for innovation projects under subdivision 5.

(d) (1) If available funds are insufficient to meet county and tribal allocations under paragraph (a), the commissioner may make available for allocation funds that are unobligated and available from the innovation projects through the end of the current biennium.

(2) If after the application of clause (1) funds remain insufficient to meet county and tribal

allocations under paragraph (a), the commissioner must proportionally reduce the allocation of each county and tribe with respect to their maximum allocation available under paragraph (a).

ARTICLE 2

CHILD CARE

Section 1. Minnesota Statutes 2006, section 119B.03, subdivision 6, is amended to read:

Subd. 6. **Allocation formula.** The basic sliding fee state and federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 8, with any remaining available funds allocated according to the following formula:

(a) One-fourth of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the most recent fiscal year completed at the time of the notice of allocation.

(b) Up to one-fourth of the funds shall be allocated based on in proportion to the number of families participating in the transition year child care program as reported during and averaged over the most recent quarter six months completed at the time of the notice of allocation. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph (f).

(c) Up to one-fourth of the funds shall be allocated in proportion to the average of each county's most recently recent six months of reported first, second, and third priority waiting list as defined in subdivision 2 and the reinstatement list of those families whose assistance was terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph (f).

(d) Up to one-fourth of the funds must shall be allocated in proportion to the average of each county's most recently recent six months of reported waiting list as defined in subdivision 2 and the reinstatement list of those families whose assistance was terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph (f).

(e) The amount necessary to serve all families in paragraphs (b), (c), and (d) shall be calculated based on the basic sliding fee average cost of care per family in the county with the highest cost in the most recently completed calendar year.

(f) Funds in excess of the amount necessary to serve all families in paragraphs (b), (c), and (d) shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the most recent fiscal year completed at the time of the notice of allocation.

Sec. 2. Minnesota Statutes 2006, section 119B.09, subdivision 9, is amended to read:

Subd. 9. **Licensed and legal nonlicensed family child care providers; assistance.** Licensed and legal nonlicensed family child care providers and their employees are not eligible to receive child care assistance subsidies under this chapter for their own children or children in their family during the hours they are providing child care or being paid to provide child care. Child care

providers and their employees are eligible to receive child care assistance subsidies for their children when they are engaged in other activities that meet the requirements of this chapter and for which child care assistance can be paid. The hours for which the provider or their employee receives a child care subsidy for their own children must not overlap with the hours the provider provides child care services.

Sec. 3. Minnesota Statutes 2007 Supplement, section 119B.231, subdivision 5, is amended to read:

Subd. 5. **Relationship to current law.** (a) The following provisions in chapter 119B must be waived or modified for families receiving services under this section.

(b) Notwithstanding section 119B.13, subdivisions 1 and 1a, maximum weekly rates under this section are 125 percent of the existing maximum weekly rate for like-care. Providers eligible for a differential rate under section 119B.13, subdivision 3a, remain eligible for the differential above the rate identified in this section. Only care for children who have not yet entered kindergarten may be paid at the maximum rate under this section. The provider's charge for service provided through an SRSA may not exceed the rate that the provider charges a private-pay family for like-care arrangements.

(c) A family or child care provider may not be assessed an overpayment for care provided through an SRSA unless:

- (1) there was an error in the amount of care authorized for the family; or
- (2) the family or provider did not timely report a change as required under the law.

(d) Care provided through an SRSA is authorized on a weekly basis.

(e) Funds appropriated under this section to serve families eligible under section 119B.03 are not allocated through the basic sliding fee formula under section 119B.03. Funds appropriated under this section are used to offset increased costs when payments are made under SRSA's.

(f) Notwithstanding section 119B.09, subdivision 6, the maximum amount of child care assistance that may be authorized for a child receiving care through an SRSA in a two-week period is 160 hours per child.

(g) Effective upon date of enactment, absent day payment limits under section 119B.13, subdivision 7, do not apply to children for care paid through SRSA's provided the family remains eligible under subdivision 3.

Sec. 5. **CHILD CARE ADVISORY TASK FORCE.**

Subdivision 1. **Establishment.** The commissioner of human services shall establish a Child Care Advisory Task Force of stakeholders to review and make recommendations to the legislature to remove barriers facing families applying for and receiving child care assistance under Minnesota Statutes, chapter 119B.

Subd. 2. **Membership.** The commissioner of human services shall appoint Child Care Advisory Task Force members. The Child Care Advisory Task Force shall include, but is not limited to, representatives from:

- (1) the Department of Human Services;
- (2) counties and nonprofit organizations administering the child care assistance programs;
- (3) a parent receiving child care assistance;
- (4) the child care advocacy community; and
- (5) the antipoverty advocacy community.

Subd. 3. **Duties.** The Child Care Advisory Task Force shall review child care assistance laws, rules, and policies and make recommendations to remove barriers facing families applying for child care assistance or completing reauthorization for child care assistance to the legislative committees with jurisdiction over the child care assistance programs under Minnesota Statutes, chapter 119B. Barriers to review include, but are not limited to:

- (1) length of application forms;
- (2) consistency of application and reauthorization forms statewide;
- (3) documentation requirements, including frequency of producing documentation;
- (4) barriers facing parents with limited English; and
- (5) length of reauthorization periods.

Subd. 4. **Report.** By January 15, 2010, the Department of Human Services shall report to the legislative committees with jurisdiction over the child care assistance programs with the Child Care Advisory Task Force recommendations to remove the barriers facing families in applying for and receiving child care assistance.

Subd. 5. **Task force expenses.** Notwithstanding Minnesota Statutes, section 15.059, task force members must not be paid a per diem or reimbursed for any expenses associated with their membership on the task force.

Subd. 6. **Expiration.** The Child Care Advisory Task Force expires June 30, 2010.

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

ARTICLE 3

CHILD CARE TECHNICAL

Section 1. Minnesota Statutes 2006, section 119B.011, subdivision 17, is amended to read:

Subd. 17. **MFIP.** "MFIP" means the Minnesota family investment program, the state's TANF program under Public Law 104-193, Title I, and includes the MFIP program under chapter 256J, ~~the work first program under chapter 256K,~~ and tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2.

Sec. 2. Minnesota Statutes 2006, section 119B.03, subdivision 1, is amended to read:

Subdivision 1. ~~**Allocation period;**~~ **Notice of allocation.** ~~When the commissioner notifies county and human service boards of the forms and instructions they are to follow in the development of~~

~~their child care fund plans required under section 119B.08, subdivision 3, the commissioner shall also notify county and human services boards of their estimated child care fund program allocation for the two years covered by the plan. By October 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.~~

Sec. 3. Minnesota Statutes 2006, section 119B.09, subdivision 1, is amended to read:

Subdivision 1. General eligibility requirements for all applicants for child care assistance.

(a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) have household income less than or equal to ~~250~~ 67 percent of the ~~federal poverty guidelines~~ state median income, adjusted for family size, and meet the requirements of section 119B.05; receive MFIP assistance; and are participating in employment and training services under chapter 256J ~~or 256K~~; or

(2) have household income less than or equal to ~~175~~ 47 percent of the ~~federal poverty guidelines~~ state median income, adjusted for family size, at program entry and less than ~~250~~ 67 percent of the ~~federal poverty guidelines~~ state median income, adjusted for family size, at program exit.

(b) Child care services must be made available as in-kind services.

(c) All applicants for child care assistance and families currently receiving child care assistance must be assisted and required to cooperate in establishment of paternity and enforcement of child support obligations for all children in the family as a condition of program eligibility. For purposes of this section, a family is considered to meet the requirement for cooperation when the family complies with the requirements of section 256.741.

Sec. 4. Minnesota Statutes 2007 Supplement, section 119B.12, is amended to read:

119B.12 SLIDING FEE SCALE.

Subdivision 1. **Fee schedule.** In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility an amount for federal and state income and Social Security taxes attributable to that income level according to federal and state standardized tax tables. The commissioner shall base the parent fee on the ability of the family to pay for child care. The fee schedule must be designed to use any available tax credits.

PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in subdivision 2:

Income Range (as a percent of the federal poverty guidelines <u>state median income</u> , except at the start of the first tier)	Co-payment (as a percentage of adjusted gross income)
0-74.99% <u>0-74.99%</u> of federal poverty guidelines	\$0/month
75.00-99.99% <u>75.00-99.99%</u> of federal poverty guidelines	\$5/month
100.00-104.99% <u>100.00%</u> of federal poverty guidelines- 27.72%	2.61%
105.00-109.99% <u>27.73-29.04%</u>	2.61%

110.00-114.99%	<u>29.05-30.36%</u>	2.61%
115.00-119.99%	<u>30.37-31.68%</u>	2.61%
120.00-124.99%	<u>31.69-33.00%</u>	2.91%
125.00-129.99%	<u>33.01-34.32%</u>	2.91%
130.00-134.99%	<u>34.33-35.65%</u>	2.91%
135.00-139.99%	<u>35.66-36.96%</u>	2.91%
140.00-144.99%	<u>36.97-38.29%</u>	3.21%
145.00-149.99%	<u>38.30-39.61%</u>	3.21%
150.00-154.99%	<u>39.62-40.93%</u>	3.21%
155.00-159.99%	<u>40.94-42.25%</u>	3.84%
160.00-164.99%	<u>42.26-43.57%</u>	3.84%
165.00-169.99%	<u>43.58-44.89%</u>	4.46%
170.00-174.99%	<u>44.90-46.21%</u>	4.76%
175.00-179.99%	<u>46.22-47.53%</u>	5.05%
180.00-184.99%	<u>47.54-48.85%</u>	5.65%
185.00-189.99%	<u>48.86-50.17%</u>	5.95%
190.00-194.99%	<u>50.18-51.49%</u>	6.24%
195.00-199.99%	<u>51.50-52.81%</u>	6.84%
200.00-204.99%	<u>52.82-54.13%</u>	7.58%
205.00-209.99%	<u>54.14-55.45%</u>	8.33%
210.00-214.99%	<u>55.46-56.77%</u>	9.20%
215.00-219.99%	<u>56.78-58.09%</u>	10.07%
220.00-224.99%	<u>58.10-59.41%</u>	10.94%
225.00-229.99%	<u>59.42-60.73%</u>	11.55%
230.00-234.99%	<u>60.74-62.06%</u>	12.16%
235.00-239.99%	<u>62.07-63.38%</u>	12.77%
240.00-244.99%	<u>63.39-64.70%</u>	13.38%
245.00-249.99%	<u>64.71-66.99%</u>	14.00%
250%	<u>67.00%</u>	ineligible

A family's monthly co-payment fee is the fixed percentage established for the income range multiplied by the highest possible income within that income range.

Subd. 2. **Parent fee.** A family must be assessed a parent fee for each service period. A family's parent fee must be a fixed percentage of its annual gross income. Parent fees must apply to families eligible for child care assistance under sections 119B.03 and 119B.05. Income must be as defined

in section 119B.011, subdivision 15. The fixed percent is based on the relationship of the family's annual gross income to 100 percent of the annual ~~federal poverty guidelines~~ state median income. Parent fees must begin at 75 percent of the poverty level. The minimum parent fees for families between 75 percent and 100 percent of poverty level must be \$5 per month. Parent fees must provide for graduated movement to full payment. Payment of part or all of a family's parent fee directly to the family's child care provider on behalf of the family by a source other than the family shall not affect the family's eligibility for child care assistance, and the amount paid shall be excluded from the family's income. Child care providers who accept third-party payments must maintain family specific documentation of payment source, amount, and time period covered by the payment.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 5. Minnesota Statutes 2006, section 119B.125, is amended by adding a subdivision to read:

Subd. 1a. **Background study required.** This subdivision only applies to legal, nonlicensed family child care providers. Prior to authorization, and as part of each reauthorization required in subdivision 1, the county shall perform a background study on every member of the provider's household who is age 13 and older. The background study shall be conducted according to the procedures under subdivision 2.

Sec. 6. Minnesota Statutes 2007 Supplement, section 119B.125, subdivision 2, is amended to read:

Subd. 2. **Persons who cannot be authorized.** (a) ~~A person who~~ When any member of the legal, nonlicensed family child care provider's household meets any of the conditions under paragraphs (b) to (n), the provider must not be authorized as a legal nonlicensed family child care provider. To determine whether any of the listed conditions exist, the county must request information about the provider and other household members for whom a background study is required under subdivision 1a from the Bureau of Criminal Apprehension, the juvenile courts, and social service agencies. When one of the listed entities does not maintain information on a statewide basis, the county must contact the entity in the county where the provider resides and any other county in which the provider or any household member previously resided in the past year. For purposes of this subdivision, a finding that a delinquency petition is proven in juvenile court must be considered a conviction in state district court. If a county has determined that a provider is able to be authorized in that county, and a family in another county later selects that provider, the provider is able to be authorized in the second county without undergoing a new background investigation unless one of the following conditions exists:

- (1) two years have passed since the first authorization;
- (2) another person age 13 or older has joined the provider's household since the last authorization;
- (3) a current household member has turned 13 since the last authorization; or
- (4) there is reason to believe that a household member has a factor that prevents authorization.

(b) The person has been convicted of one of the following offenses or has admitted to committing or a preponderance of the evidence indicates that the person has committed an act that meets the definition of one of the following offenses: sections 609.185 to 609.195, murder in the first, second, or third degree; 609.2661 to 609.2663, murder of an unborn child in the first, second, or third degree; 609.322, solicitation, inducement, promotion of prostitution, or receiving profit

from prostitution; 609.342 to 609.345, criminal sexual conduct in the first, second, third, or fourth degree; 609.352, solicitation of children to engage in sexual conduct; 609.365, incest; 609.377, felony malicious punishment of a child; 617.246, use of minors in sexual performance; 617.247, possession of pictorial representation of a minor; 609.2242 to 609.2243, felony domestic assault; a felony offense of spousal abuse; a felony offense of child abuse or neglect; a felony offense of a crime against children; or an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes; or an offense in any other state or country where the elements are substantially similar to any of the offenses listed in this paragraph.

(c) Less than 15 years have passed since the discharge of the sentence imposed for the offense and the person has received a felony conviction for one of the following offenses, or the person has admitted to committing or a preponderance of the evidence indicates that the person has committed an act that meets the definition of a felony conviction for one of the following offenses: sections 609.20 to 609.205, manslaughter in the first or second degree; 609.21, criminal vehicular homicide; 609.215, aiding suicide or aiding attempted suicide; 609.221 to 609.2231, assault in the first, second, third, or fourth degree; 609.224, repeat offenses of fifth degree assault; 609.228, great bodily harm caused by distribution of drugs; 609.2325, criminal abuse of a vulnerable adult; 609.2335, financial exploitation of a vulnerable adult; 609.235, use of drugs to injure or facilitate a crime; 609.24, simple robbery; 617.241, repeat offenses of obscene materials and performances; 609.245, aggravated robbery; 609.25, kidnapping; 609.255, false imprisonment; 609.2664 to 609.2665, manslaughter of an unborn child in the first or second degree; 609.267 to 609.2672, assault of an unborn child in the first, second, or third degree; 609.268, injury or death of an unborn child in the commission of a crime; 609.27, coercion; 609.275, attempt to coerce; 609.324, subdivision 1, other prohibited acts, minor engaged in prostitution; 609.3451, repeat offenses of criminal sexual conduct in the fifth degree; 609.378, neglect or endangerment of a child; 609.52, theft; 609.521, possession of shoplifting gear; 609.561 to 609.563, arson in the first, second, or third degree; 609.582, burglary in the first, second, third, or fourth degree; 609.625, aggravated forgery; 609.63, forgery; 609.631, check forgery, offering a forged check; 609.635, obtaining signature by false pretenses; 609.66, dangerous weapon; 609.665, setting a spring gun; 609.67, unlawfully owning, possessing, or operating a machine gun; 609.687, adulteration; 609.71, riot; 609.713, terrorist threats; 609.749, harassment, stalking; 260C.301, termination of parental rights; 152.021 to 152.022 and 152.0262, controlled substance crime in the first or second degree; 152.023, subdivision 1, clause (3) or (4), or 152.023, subdivision 2, clause (4), controlled substance crime in third degree; 152.024, subdivision 1, clause (2), (3), or (4), controlled substance crime in fourth degree; 617.23, repeat offenses of indecent exposure; an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes; or an offense in any other state or country where the elements are substantially similar to any of the offenses listed in this paragraph.

(d) Less than ten years have passed since the discharge of the sentence imposed for the offense and the person has received a gross misdemeanor conviction for one of the following offenses or the person has admitted to committing or a preponderance of the evidence indicates that the person has committed an act that meets the definition of a gross misdemeanor conviction for one of the following offenses: sections 609.224, fifth degree assault; 609.2242 to 609.2243, domestic assault; 518B.01, subdivision 14, violation of an order for protection; 609.3451, fifth degree criminal sexual conduct; 609.746, repeat offenses of interference with privacy; 617.23, repeat offenses of indecent exposure; 617.241, obscene materials and performances; 617.243, indecent literature, distribution; 617.293, disseminating or displaying harmful material to minors; 609.71, riot; 609.66, dangerous weapons; 609.749, harassment, stalking; 609.224, subdivision 2, paragraph (c), fifth degree assault

against a vulnerable adult by a caregiver; 609.23, mistreatment of persons confined; 609.231, mistreatment of residents or patients; 609.2325, criminal abuse of a vulnerable adult; 609.2335, financial exploitation of a vulnerable adult; 609.233, criminal neglect of a vulnerable adult; 609.234, failure to report maltreatment of a vulnerable adult; 609.72, subdivision 3, disorderly conduct against a vulnerable adult; 609.265, abduction; 609.378, neglect or endangerment of a child; 609.377, malicious punishment of a child; 609.324, subdivision 1a, other prohibited acts, minor engaged in prostitution; 609.33, disorderly house; 609.52, theft; 609.582, burglary in the first, second, third, or fourth degree; 609.631, check forgery, offering a forged check; 609.275, attempt to coerce; an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes; or an offense in any other state or country where the elements are substantially similar to any of the offenses listed in this paragraph.

(e) Less than seven years have passed since the discharge of the sentence imposed for the offense and the person has received a misdemeanor conviction for one of the following offenses or the person has admitted to committing or a preponderance of the evidence indicates that the person has committed an act that meets the definition of a misdemeanor conviction for one of the following offenses: sections 609.224, fifth degree assault; 609.2242, domestic assault; 518B.01, violation of an order for protection; 609.3232, violation of an order for protection; 609.746, interference with privacy; 609.79, obscene or harassing telephone calls; 609.795, letter, telegram, or package opening, harassment; 617.23, indecent exposure; 609.2672, assault of an unborn child, third degree; 617.293, dissemination and display of harmful materials to minors; 609.66, dangerous weapons; 609.665, spring guns; an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes; or an offense in any other state or country where the elements are substantially similar to any of the offenses listed in this paragraph.

(f) The person has been identified by the child protection agency in the county where the provider resides or a county where the provider has resided or by the statewide child protection database as a person found by a preponderance of evidence under section 626.556 to be responsible for physical or sexual abuse of a child within the last seven years.

(g) The person has been identified by the adult protection agency in the county where the provider resides or a county where the provider has resided or by the statewide adult protection database as the person responsible for abuse or neglect of a vulnerable adult within the last seven years.

(h) The person has refused to give written consent for disclosure of criminal history records.

(i) The person has been denied a family child care license or has received a fine or a sanction as a licensed child care provider that has not been reversed on appeal.

(j) The person has a family child care licensing disqualification that has not been set aside.

(k) The person has admitted or a county has found that there is a preponderance of evidence that fraudulent information was given to the county for child care assistance application purposes or was used in submitting child care assistance bills for payment.

(l) The person has been convicted of the crime of theft by wrongfully obtaining public assistance or has been found guilty of wrongfully obtaining public assistance by a federal court, state court, or an administrative hearing determination or waiver, through a disqualification consent agreement, as part of an approved diversion plan under section 401.065, or a court-ordered stay with probationary or other conditions.

(m) The person has a household member age 13 or older who has access to children during the hours that care is provided and who meets one of the conditions listed in paragraphs (b) to (l).

(n) The person has a household member ages ten to 12 who has access to children during the hours that care is provided; information or circumstances exist which provide the county with articulable suspicion that further pertinent information may exist showing the household member meets one of the conditions listed in paragraphs (b) to (l); and the household member actually meets one of the conditions listed in paragraphs (b) to (l).

Sec. 7. Minnesota Statutes 2007 Supplement, section 119B.13, subdivision 1, is amended to read:

Subdivision 1. **Subsidy restrictions.** (a) Beginning July 1, 2006, the maximum rate paid for child care assistance in any county or multicounty region under the child care fund shall be the rate for like-care arrangements in the county effective January 1, 2006, increased by six percent.

(b) Rate changes shall be implemented for services provided in September 2006 unless a participant eligibility redetermination or a new provider agreement is completed between July 1, 2006, and August 31, 2006.

As necessary, appropriate notice of adverse action must be made according to Minnesota Rules, part 3400.0185, subparts 3 and 4.

New cases approved on or after July 1, 2006, shall have the maximum rates under paragraph (a), implemented immediately.

(c) Every year, the commissioner shall survey rates charged by child care providers in Minnesota to determine the 75th percentile for like-care arrangements in counties. When the commissioner determines that, using the commissioner's established protocol, the number of providers responding to the survey is too small to determine the 75th percentile rate for like-care arrangements in a county or multicounty region, the commissioner may establish the 75th percentile maximum rate based on like-care arrangements in a county, region, or category that the commissioner deems to be similar.

(d) A rate which includes a special needs rate paid under subdivision 3 or under a school readiness service agreement paid under section 119B.231, may be in excess of the maximum rate allowed under this subdivision.

(e) The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care on an hourly, full-day, and weekly basis, including special needs and disability care.

(f) When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family co-payment fee.

(g) All maximum provider rates changes shall be implemented on the Monday following the effective date of the maximum provider rate.

Sec. 8. Minnesota Statutes 2007 Supplement, section 119B.13, subdivision 7, is amended to read:

Subd. 7. **Absent days.** (a) Child care providers may not be reimbursed for more than 25 full-day

absent days per child, excluding holidays, in a fiscal year, or for more than ten consecutive full-day absent days, unless the child has a documented medical condition that causes more frequent absences. Absences due to a documented medical condition of a parent or sibling who lives in the same residence as the child receiving child care assistance do not count against the 25-day absent day limit in a fiscal year. Documentation of medical conditions must be on the forms and submitted according to the timelines established by the commissioner. A public health nurse or school nurse may verify the illness in lieu of a medical practitioner. If a provider sends a child home early due to a medical reason, including, but not limited to, fever or contagious illness, the child care center director or lead teacher may verify the illness in lieu of a medical practitioner. If a child attends for part of the time authorized to be in care in a day, but is absent for part of the time authorized to be in care in that same day, the absent time will be reimbursed but the time will not count toward the ten consecutive or 25 cumulative absent day limits. Children in families where at least one parent is under the age of 21, does not have a high school or general equivalency diploma, and is a student in a school district or another similar program that provides or arranges for child care, as well as parenting, social services, career and employment supports, and academic support to achieve high school graduation, may be exempt from the absent day limits upon request of the program and approval of the county. If a child attends part of an authorized day, payment to the provider must be for the full amount of care authorized for that day. Child care providers may only be reimbursed for absent days if the provider has a written policy for child absences and charges all other families in care for similar absences.

(b) Child care providers must be reimbursed for up to ten federal or state holidays or designated holidays per year when the provider charges all families for these days and the holiday or designated holiday falls on a day when the child is authorized to be in attendance. Parents may substitute other cultural or religious holidays for the ten recognized state and federal holidays. Holidays do not count toward the ten consecutive or 25 cumulative absent day limits.

(c) A family or child care provider may not be assessed an overpayment for an absent day payment unless (1) there was an error in the amount of care authorized for the family, (2) all of the allowed full-day absent payments for the child have been paid, or (3) the family or provider did not timely report a change as required under law.

(d) The provider and family must receive notification of the number of absent days used upon initial provider authorization for a family and when the family has used 15 cumulative absent days. Upon statewide implementation of the Minnesota Electronic Child Care System, the provider and family shall receive notification of the number of absent days used upon initial provider authorization for a family and ongoing notification of the number of absent days used as of the date of the notification.

(e) A county may pay for more absent days than the statewide absent day policy established under this subdivision if current market practice in the county justifies payment for those additional days. County policies for payment of absent days in excess of the statewide absent day policy and justification for these county policies must be included in the county's child care fund plan under section 119B.08, subdivision 3.

Sec. 9. Minnesota Statutes 2007 Supplement, section 119B.21, subdivision 5, is amended to read:

Subd. 5. **Child care services grants.** (a) A child care resource and referral program designated

under section 119B.19, subdivision 1a, may award child care services grants for:

(1) creating new licensed child care facilities and expanding existing facilities, including, but not limited to, supplies, equipment, facility renovation, and remodeling;

(2) improving licensed child care facility programs;

(3) staff training and development services including, but not limited to, in-service training, curriculum development, accreditation, certification, consulting, resource centers, program and resource materials, supporting effective teacher-child interactions, child-focused teaching, and content-driven classroom instruction;

(4) interim financing;

(5) capacity building through the purchase of appropriate technology to create, enhance, and maintain business management systems;

(6) emergency assistance for child care programs;

(7) new programs or projects for the creation, expansion, or improvement of programs that serve ethnic immigrant and refugee communities; and

(8) targeted recruitment initiatives to expand and build the capacity of the child care system and to improve the quality of care provided by legal nonlicensed child care providers.

(b) A child care resource and referral program designated under section 119B.19, subdivision 1a, may award child care services grants to:

(1) licensed providers;

(2) providers in the process of being licensed;

(3) corporations or public agencies that develop or provide child care services;

(4) school-age care programs;

(5) legal nonlicensed or family, friend, and neighbor care providers; or

~~(5) (6) any combination of clauses (1) to (4) (5).~~

~~Unlicensed providers are only eligible for grants under paragraph (a), clause (7).~~

(c) A recipient of a child care services grant for facility improvements, interim financing, or staff training and development must provide a 25 percent local match.

Sec. 10. Minnesota Statutes 2006, section 119B.21, subdivision 10, is amended to read:

Subd. 10. **Family child care technical assistance grants.** (a) A child care resource and referral organization designated under section 119B.19, subdivision 1a, may award technical assistance grants of up to \$1,000. These grants may be used for:

(1) facility improvements, including, but not limited to, improvements to meet licensing requirements;

(2) improvements to expand a child care facility or program;

- (3) toys and equipment;
- (4) technology and software to create, enhance, and maintain business management systems;
- (5) start-up costs;
- (6) staff training and development; and
- (7) other uses approved by the commissioner.

(b) A child care resource and referral program may award family child care technical assistance grants to:

- (1) licensed family child care providers; ~~or~~
- (2) child care providers in the process of becoming licensed; or
- (3) legal nonlicensed or family, friend, and neighbor care providers.

(c) A local match is not required for a family child care technical assistance grant.

Sec. 11. Minnesota Statutes 2006, section 256E.30, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** The commissioner of ~~education~~ human services may provide financial assistance for community action agencies, Indian reservations, and migrant and seasonal farmworker organizations to carry out community action programs as described in section 256E.32 in accordance with the Omnibus Reconciliation Act of 1981, Public Law 97-35, as amended in 1984, Public Law 98-558, state law, and federal law and regulation.

Sec. 12. Minnesota Statutes 2006, section 256E.35, subdivision 7, is amended to read:

Subd. 7. **Program reporting.** The fiscal agent on behalf of each fiduciary organization participating in a family assets for independence initiative must report quarterly to the commissioner of human services ~~and to the commissioner of education~~ identifying the participants with accounts, the number of accounts, the amount of savings and matches for each participant's account, the uses of the account, and the number of businesses, homes, and educational services paid for with money from the account, as well as other information that may be required for the commissioner to administer the program and meet federal TANF reporting requirements.

Sec. 13. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall renumber Minnesota Statutes, section 119A.45, as Minnesota Statutes, section 256E.37.

(b) The revisor of statutes shall make such cross-reference changes as are necessary from the renumbering in this section wherever the reference appears in statute.

ARTICLE 4

MFIP TECHNICAL CHANGES

Section 1. Minnesota Statutes 2007 Supplement, section 256J.20, subdivision 3, is amended to read:

Subd. 3. **Other property limitations.** To be eligible for MFIP, the equity value of all nonexcluded real and personal property of the assistance unit must not exceed \$2,000 for applicants and \$5,000 for ongoing participants. The value of assets in clauses (1) to (19) must be excluded when determining the equity value of real and personal property:

(1) a licensed vehicle up to a loan value of less than or equal to \$15,000. If the assistance unit owns more than one licensed vehicle, the county agency shall determine the loan value of all additional vehicles and exclude the combined loan value of less than or equal to \$7,500. The county agency shall apply any excess loan value as if it were equity value to the asset limit described in this section, excluding: (i) the value of one vehicle per physically disabled person when the vehicle is needed to transport the disabled unit member; this exclusion does not apply to mentally disabled people; (ii) the value of special equipment for a disabled member of the assistance unit; and (iii) any vehicle used for long-distance travel, other than daily commuting, for the employment of a unit member.

To establish the loan value of vehicles, a county agency must use the N.A.D.A. Official Used Car Guide, Midwest Edition, for newer model cars. When a vehicle is not listed in the guidebook, or when the applicant or participant disputes the loan value listed in the guidebook as unreasonable given the condition of the particular vehicle, the county agency may require the applicant or participant document the loan value by securing a written statement from a motor vehicle dealer licensed under section 168.27, stating the amount that the dealer would pay to purchase the vehicle. The county agency shall reimburse the applicant or participant for the cost of a written statement that documents a lower loan value;

(2) the value of life insurance policies for members of the assistance unit;

(3) one burial plot per member of an assistance unit;

(4) the value of personal property needed to produce earned income, including tools, implements, farm animals, inventory, business loans, business checking and savings accounts used at least annually and used exclusively for the operation of a self-employment business, and any motor vehicles if at least 50 percent of the vehicle's use is to produce income and if the vehicles are essential for the self-employment business;

(5) the value of personal property not otherwise specified which is commonly used by household members in day-to-day living such as clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living;

(6) the value of real and personal property owned by a recipient of Supplemental Security Income or Minnesota supplemental aid;

(7) the value of corrective payments, but only for the month in which the payment is received and for the following month;

(8) a mobile home or other vehicle used by an applicant or participant as the applicant's or participant's home;

(9) money in a separate escrow account that is needed to pay real estate taxes or insurance and that is used for this purpose;

(10) money held in escrow to cover employee FICA, employee tax withholding, sales tax

withholding, employee worker compensation, business insurance, property rental, property taxes, and other costs that are paid at least annually, but less often than monthly;

(11) monthly assistance payments for the current month's or short-term emergency needs under section 256J.626, subdivision 2;

(12) the value of school loans, grants, or scholarships for the period they are intended to cover;

(13) payments listed in section 256J.21, subdivision 2, clause (9), which are held in escrow for a period not to exceed three months to replace or repair personal or real property;

(14) income received in a budget month through the end of the payment month;

(15) savings from earned income of a minor child or a minor parent that are set aside in a separate account designated specifically for future education or employment costs;

(16) the federal earned income credit, Minnesota working family credit, state and federal income tax refunds, state homeowners and renters credits under chapter 290A, property tax rebates and other federal or state tax rebates in the month received and the following month;

(17) payments excluded under federal law as long as those payments are held in a separate account from any nonexcluded funds;

(18) the assets of children ineligible to receive MFIP benefits because foster care or adoption assistance payments are made on their behalf; and

(19) the assets of persons whose income is excluded under section 256J.21, subdivision 2, clause (43).

Sec. 2. Minnesota Statutes 2006, section 256J.24, subdivision 5, is amended to read:

Subd. 5. **MFIP transitional standard.** The MFIP transitional standard is based on the number of persons in the assistance unit eligible for both food and cash assistance unless the restrictions in subdivision 6 on the birth of a child apply. The following table represents the transitional standards effective October 1, ~~2004~~ 2007.

Number of Eligible People	Transitional Standard	Cash Portion	Food Portion
1	\$379 <u>\$391</u> :	\$250	\$129 <u>\$141</u>
2	\$675 <u>\$698</u> :	\$437	\$238 <u>\$261</u>
3	\$876 <u>\$910</u> :	\$532	\$344 <u>\$378</u>
4	\$1,036 <u>\$1,091</u> :	\$621	\$415 <u>\$470</u>
5	\$1,180 <u>\$1,245</u> :	\$697	\$483 <u>\$548</u>
6	\$1,350 <u>\$1,425</u> :	\$773	\$577 <u>\$652</u>
7	\$1,472 <u>\$1,553</u> :	\$850	\$622 <u>\$703</u>
8	\$1,623 <u>\$1,713</u> :	\$916	\$707 <u>\$797</u>
9	\$1,772 <u>\$1,871</u> :	\$980	\$792 <u>\$891</u>

10	\$1,915 <u>\$2,024:</u>	\$1,035	\$880 <u>\$989</u>
over 10	add \$142 <u>\$151:</u>	\$53	\$89 <u>\$98</u>

per additional member.

The commissioner shall annually publish in the State Register the transitional standard for an assistance unit sizes 1 to 10 including a breakdown of the cash and food portions.

Sec. 3. Minnesota Statutes 2006, section 256J.521, subdivision 4, is amended to read:

Subd. 4. **Self-employment.** (a) Self-employment activities may be included in an employment plan contingent on the development of a business plan which establishes a timetable and earning goals that will result in the participant exiting MFIP assistance. Business plans must be developed with assistance from an individual or organization with expertise in small business as approved by the job counselor.

(b) Participants with an approved plan that includes self-employment must meet the participation requirements in section 256J.55, subdivision 1. Only hours where the participant earns at least minimum wage shall be counted toward the requirement. Additional activities and hours necessary to meet the participation requirements in section 256J.55, subdivision 1, must be included in the employment plan.

(c) Employment plans which include self-employment activities must be reviewed every three months. Participants who fail, without good cause, to make satisfactory progress as established in the business plan must revise the employment plan to replace the self-employment with other approved work activities.

~~(d) The requirements of this subdivision may be waived for participants who are enrolled in the self-employment investment demonstration program (SEID) under section 256J.65, and who make satisfactory progress as determined by the job counselor and the SEID provider.~~

Sec. 4. Minnesota Statutes 2006, section 256J.54, subdivision 2, is amended to read:

Subd. 2. **Responsibility for assessment and employment plan.** For caregivers who are under age 18 without a high school diploma or its equivalent, the assessment under subdivision 1 and the employment plan under subdivision 3 must be completed by the social services agency under section 257.33. For caregivers who are age 18 or 19 without a high school diploma or its equivalent who choose to have an employment plan with an education option under subdivision 3, the assessment under subdivision 1 and the employment plan under subdivision 3 must be completed by the job counselor or, at county option, by the social services agency under section 257.33. Upon reaching age 18 or 19 a caregiver who received social services under section 257.33 and is without a high school diploma or its equivalent has the option to choose whether to continue receiving services under the caregiver's plan from the social services agency or to utilize an MFIP employment and training service provider. The social services agency or the job counselor shall consult with ~~representatives of educational agencies that are required to assist in developing educational plans under section 124D.331~~ the participant's school in developing the educational plan.

Sec. 5. Minnesota Statutes 2006, section 256J.54, subdivision 5, is amended to read:

Subd. 5. **School attendance required.** (a) ~~Notwithstanding the provisions of section 256J.56,~~ Minor parents, or 18- or 19-year-old parents without a high school diploma or its equivalent who chooses an employment plan with an education option must attend school unless:

- (1) transportation services needed to enable the caregiver to attend school are not available;
- (2) appropriate child care services needed to enable the caregiver to attend school are not available;
- (3) the caregiver is ill or incapacitated seriously enough to prevent attendance at school; or
- (4) the caregiver is needed in the home because of the illness or incapacity of another member of the household. This includes a caregiver of a child who is younger than six weeks of age.

(b) The caregiver must be enrolled in a secondary school and meeting the school's attendance requirements. The county, social service agency, or job counselor must verify at least once per quarter that the caregiver is meeting the school's attendance requirements. An enrolled caregiver is considered to be meeting the attendance requirements when the school is not in regular session, including during holiday and summer breaks.

Sec. 6. Minnesota Statutes 2006, section 256J.545, is amended to read:

256J.545 FAMILY VIOLENCE WAIVER CRITERIA.

(a) In order to qualify for a family violence waiver, an individual must provide documentation of past or current family violence which may prevent the individual from participating in certain employment activities. ~~A claim of family violence must be documented by the applicant or participant providing a sworn statement which is supported by collateral documentation.~~

(b) ~~Collateral documentation may consist of~~ The following items may be considered acceptable documentation or verification of family violence:

- (1) police, government agency, or court records;
- (2) a statement from a battered women's shelter staff with knowledge of the circumstances or credible evidence that supports the sworn statement;
- (3) a statement from a sexual assault or domestic violence advocate with knowledge of the circumstances or credible evidence that supports the sworn statement; or
- (4) a statement from professionals from whom the applicant or recipient has sought assistance for the abuse; or
- ~~(5) a sworn statement from any other individual with knowledge of circumstances or credible evidence that supports the sworn statement.~~

(c) A claim of family violence may also be documented by a sworn statement from the applicant or participant and a sworn statement from any other person with knowledge of the circumstances or credible evidence that supports the client's statement.

Sec. 7. Minnesota Statutes 2007 Supplement, section 256J.95, subdivision 3, is amended to read:

Subd. 3. **Eligibility for diversionary work program.** (a) Except for the categories of family

units listed below, all family units who apply for cash benefits and who meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must participate in the diversionary work program. Family units that are not eligible for the diversionary work program include:

- (1) child only cases;
- (2) a single-parent family unit that includes a child under 12 weeks of age. A parent is eligible for this exception once in a parent's lifetime and is not eligible if the parent has already used the previously allowed child under age one exemption from MFIP employment services;
- (3) a minor parent without a high school diploma or its equivalent;
- (4) an 18- or 19-year-old caregiver without a high school diploma or its equivalent who chooses to have an employment plan with an education option;
- (5) a caregiver age 60 or over;
- (6) family units with a caregiver who received DWP benefits in the 12 months prior to the month the family applied for DWP, except as provided in paragraph (c);
- (7) family units with a caregiver who received MFIP within the 12 months prior to the month the family unit applied for DWP;
- (8) a family unit with a caregiver who received 60 or more months of TANF assistance;
- (9) a family unit with a caregiver who is disqualified from DWP or MFIP due to fraud; and
- (10) refugees and asylees as defined in Code of Federal Regulations, title 45, ~~chapter IV~~ part 400, subpart d, section 444.43 400.43, who arrived in the United States in the 12 months prior to the date of application for family cash assistance.

(b) A two-parent family must participate in DWP unless both caregivers meet the criteria for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a parent who meets the criteria in paragraph (a), clause (6), (7), (8), ~~or (9)~~, or (10).

(c) Once DWP eligibility is determined, the four months run consecutively. If a participant leaves the program for any reason and reapplies during the four-month period, the county must redetermine eligibility for DWP.

ARTICLE 5

MISCELLANEOUS TECHNICAL

Section 1. Minnesota Statutes 2007 Supplement, section 245C.08, subdivision 2, is amended to read:

Subd. 2. **Background studies conducted by a county agency.** (a) For a background study conducted by a county agency for adult foster care, family adult day services, and family child care services, the commissioner shall review:

(1) information from the county agency's record of substantiated maltreatment of adults and the maltreatment of minors;

(2) information from juvenile courts as required in subdivision 4 for individuals listed in section

245C.03, subdivision 1, clauses (2), (5), and (6); and

(3) information from the Bureau of Criminal Apprehension.

(b) If the individual has resided in the county for less than five years, the study shall include the records specified under paragraph (a) for the previous county or counties of residence for the past five years.

(c) Notwithstanding expungement by a court, the county agency may consider information obtained under paragraph (a), ~~clauses clause (3) and (4)~~, unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

Sec. 2. Minnesota Statutes 2007 Supplement, section 256E.35, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Family asset account" means a savings account opened by a household participating in the Minnesota family assets for independence initiative.

(c) "Fiduciary organization" means:

(1) a community action agency that has obtained recognition under section 256E.31;

(2) a federal community development credit union serving the seven-county metropolitan area;
or

(3) a women-oriented economic development agency serving the seven-county metropolitan area.

(d) "Financial institution" means a bank, bank and trust, savings bank, savings association, or credit union, the deposits of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(e) "Permissible use" means:

(1) postsecondary educational expenses at an accredited public postsecondary eligible educational institution as defined in paragraph (g), including books, supplies, and equipment required for courses of instruction;

(2) acquisition costs of acquiring, constructing, or reconstructing a residence, including any usual or reasonable settlement, financing, or other closing costs;

(3) business capitalization expenses for expenditures on capital, plant, equipment, working capital, and inventory expenses of a legitimate business pursuant to a business plan approved by the fiduciary organization; and

(4) acquisition costs of a principal residence within the meaning of section 1034 of the Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase price applicable to the residence determined according to section 143(e)(2) and (3) of the Internal Revenue Code of 1986.

(f) "Household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

(g) "Eligible educational institution" means the following:

(1) an institution of higher education described in section 101 or 102 of the Higher Education Act of 1965; or

(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the extent section 2302 is in effect on the effective date of this section.

Sec. 3. Laws 2007, chapter 147, article 2, section 21, the effective date, is amended to read:

EFFECTIVE DATE. Subdivision 1 is effective February 1, 2008, and subdivision 2 is effective ~~May 1, 2008~~ March 1, 2009.

Sec. 4. **REPEALER.**

Minnesota Statutes 2006, section 256K.25, is repealed.

ARTICLE 6

CHILD WELFARE

Section 1. Minnesota Statutes 2006, section 259.20, subdivision 1, is amended to read:

Subdivision 1. **Policy and purpose.** The policy of the state of Minnesota and the purpose of sections 259.20 to 259.69 is to ensure:

(1) that the best interests of ~~children~~ adopted persons are met in the planning and granting of adoptions; and

(2) that laws and practices governing adoption recognize the diversity of Minnesota's population and the diverse needs of persons affected by adoption.

Sec. 2. Minnesota Statutes 2006, section 259.21, is amended by adding a subdivision to read:

Subd. 2a. **Adult adoption.** "Adult adoption" means the adoption of a person at least 18 years of age.

Sec. 3. Minnesota Statutes 2006, section 259.22, subdivision 2, is amended to read:

Subd. 2. **Children Persons who may be adopted.** No petition for adoption shall be filed unless the ~~child~~ person sought to be adopted has been placed by the commissioner of human services, the commissioner's agent, or a licensed child-placing agency. The provisions of this subdivision shall not apply if

(a) the ~~child~~ person to be adopted is over 14 years of age;

(b) the child is sought to be adopted by an individual who is related to the child, as defined by section 245A.02, subdivision 13;

(c) the child has been lawfully placed under the laws of another state while the child and petitioner resided in that other state;

(d) the court waives the requirement of this subdivision in the best interests of the child or petitioners, provided that the adoption does not involve a placement as defined in section 259.21, subdivision 8; or

(e) the child has been lawfully placed under section 259.47.

Sec. 4. Minnesota Statutes 2006, section 259.23, subdivision 2, is amended to read:

Subd. 2. **Contents of petition.** The petition shall be signed by the petitioner and, if married, by the spouse. It shall be verified, and filed in duplicate. The petition shall allege:

(a) The full name, age and place of residence of petitioner, and if married, the date and place of marriage;

(b) The date petitioner acquired physical custody of the child and from what person or agency;

(c) The date of birth of the child person to be adopted, if known, and the state and county where born;

(d) The name of the child's parents, if known, and the guardian if there be one;

(e) The actual name of the child person to be adopted, if known, and any known aliases;

(f) The name to be given the child person to be adopted if a change of name is desired;

(g) The description and value of any real or personal property owned by the child person to be adopted;

(h) That the petitioner desires that the relationship of parent and child be established between petitioner and ~~the child, and that it is to the~~ the person to be adopted and that adoption is in the best interests of the child for the child person to be adopted by the petitioner.

In agency placements, the information required in clauses (d) and (e) shall not be required to be alleged in the petition but shall be transmitted to the court by the commissioner of human services or the agency.

Sec. 5. **[259.241] ADULT ADOPTION.**

(a) Any adult person may be adopted, regardless of his or her residence. A resident of Minnesota may petition the court of record having jurisdiction of adoption proceedings to adopt an individual who has reached the age of 18 years or older.

(b) The consent of the person to be adopted shall be the only consent necessary, according to section 259.24. The consent of an adult in his or her own adoption is invalid if the adult is considered to be a vulnerable adult under section 626.5572, subdivision 21, or if the person consenting to the adoption is determined not competent to give consent.

(c) The decree of adoption establishes a parent-child relationship between the adopting parent or parents and the person adopted, including the right to inherit, and also terminates the parental rights and sibling relationship between the adopted person and the adopted person's birth parents

and siblings according to section 259.59.

(d) If the adopted person requests a change of name, the adoption decree shall order the name change.

Sec. 6. Minnesota Statutes 2007 Supplement, section 259.41, subdivision 1, is amended to read:

Subdivision 1. **Study required before placement; certain relatives excepted.** (a) An approved adoption study; completed background study, as required under section 245C.33; and written report must be completed before the child is placed in a prospective adoptive home under this chapter, except as allowed by section 259.47, subdivision 6. In an agency placement, the report must be filed with the court at the time the adoption petition is filed. In a direct adoptive placement, the report must be filed with the court in support of a motion for temporary preadoptive custody under section 259.47, subdivision 3, or, if the study and report are complete, in support of an emergency order under section 259.47, subdivision 6. The study and report shall be completed by a licensed child-placing agency and must be thorough and comprehensive. The study and report shall be paid for by the prospective adoptive parent, except as otherwise required under section 256.01, subdivision 2, paragraph (h), 259.67, or 259.73.

(b) A placement for adoption with an individual who is related to the child, as defined by section 245A.02, subdivision 13, is ~~not subject to this section except as a background study required by sections 245C.33 and 259.53, subdivision 2, paragraph (e)~~ by subdivision 2, paragraph (a), clause (1), items (i) and (ii), and subdivision 3. In the case of a stepparent adoption, a background study must be completed on the stepparent and any children as required under subdivision 3, paragraph (b), except that a child of the stepparent does not need to have a background study complete if they are a sibling through birth or adoption of the person being adopted. The local social services agency of the county in which the prospective adoptive parent lives must initiate a background study unless a child-placing agency has been involved with the adoption. The local social service agency may charge a reasonable fee for the background study. If a placement is being made the background study must be completed prior to placement pursuant to section 259.29, subdivision 1, paragraph (c). Background study results must be filed with the adoption petition according to section 259.22, except in an adult adoption where an adoption study and background study are not needed.

(c) In the case of a licensed foster parent seeking to adopt a child who is in the foster parent's care, any portions of the foster care licensing process that duplicate requirements of the home study may be submitted in satisfaction of the relevant requirements of this section.

Sec. 7. Minnesota Statutes 2006, section 259.43, is amended to read:

259.43 BIRTH PARENT HISTORY; COMMISSIONER'S FORM.

In any adoption under this chapter, except a stepparent or an adult adoption under section 259.241, a birth parent or an agency, if an agency placement, shall provide a prospective adoptive parent with a complete, thorough, detailed, and current social and medical history of the ~~birth families~~ child being adopted, if information is known after reasonable inquiry. Each birth family child's social and medical history must be provided on a form or forms prepared by the commissioner and must include background and health history specific to the child, the child's birth parents, and the child's other birth relatives. Applicable background and health information about the child includes: the child's current health condition, behavior, and demeanor; placement history; education history; sibling information; and birth, medical, dental, and immunization information.

Redacted copies of pertinent records, assessments, and evaluations shall be attached to the child's social and medical history. Applicable background information about the child's birth parents and other birth relatives includes: general background information; education and employment history; physical health and mental health history; and reasons for the child's placement. The child's social and medical history shall be completed in a manner so that the completed form protects the identities of all individuals described in it. The commissioner shall make the form available to agencies and court administrators for public distribution. The birth-family child's social and medical history must be provided to the prospective adoptive family prior to adoptive placement, provided to the Department of Human Services with application for adoption assistance, if applicable, and filed with the court when the adoption petition is filed, or, In a direct adoptive placement, the child's social and medical history must be filed with the court with the motion for temporary preadoptive custody.

Sec. 8. Minnesota Statutes 2006, section 259.52, subdivision 2, is amended to read:

Subd. 2. Requirement to search registry before adoption petition can be granted; proof of search. No petition for adoption may be granted unless the agency supervising the adoptive placement, the birth mother of the child, or, in the case of a stepparent or relative adoption, the county agency responsible for the report required under section 259.53, subdivision 1, requests that the commissioner of health search the registry to determine whether a putative father is registered in relation to a child who is or may be the subject of an adoption petition. The search required by this subdivision must be conducted no sooner than 31 days following the birth of the child. A search of the registry may be proven by the production of a certified copy of the registration form or by a certified statement of the commissioner of health that after a search no registration of a putative father in relation to a child who is or may be the subject of an adoption petition could be located. The filing of a certified copy of an order from a juvenile protection matter under chapter 260C containing a finding that certification of the requisite search of the Minnesota Fathers' Adoption Registry was filed with the court in that matter shall also constitute proof of search. Certification that the fathers' adoption registry has been searched must be filed with the court prior to entry of any final order of adoption. In addition to the search required by this subdivision, the agency supervising the adoptive placement, the birth mother of the child, or, in the case of a stepparent or relative adoption, the ~~county~~ social services agency responsible for the report under section 259.53, subdivision 1, or the responsible social services agency that is a petitioner in a juvenile protection matter under chapter 260C may request that the commissioner of health search the registry at any time.

Sec. 9. Minnesota Statutes 2006, section 259.53, subdivision 3, is amended to read:

Subd. 3. Reports and records. (a) The contents of all reports and records of the commissioner of human services, local social services agency, or child-placing agency bearing on the suitability of the proposed adoptive home and the child to each other shall not be disclosed either directly or indirectly to any person other than the commissioner of human services, the child's guardian ad litem appointed under: (1) section 260C.163 when the guardian's appointment continues under section 260C.317, subdivision 3, paragraph (b); or (2) section 259.65, or a judge of the court having jurisdiction of the matter, except as provided in paragraph (b).

(b) A judge of the court having jurisdiction of the matter shall upon request disclose to a party to the proceedings or the party's counsel any portion of a report or record that relates only to the suitability of the proposed adoptive parents. In this disclosure, the judge may withhold the identity of individuals providing information in the report or record. When the judge is considering whether

to disclose the identity of individuals providing information, the agency with custody of the report or record shall be permitted to present reasons for or against disclosure.

Sec. 10. Minnesota Statutes 2007 Supplement, section 259.57, subdivision 1, is amended to read:

Subdivision 1. **Findings; orders.** Upon the hearing,

(a) if the court finds that it is in the best interests of the child person to be adopted that the petition be granted, a decree of adoption shall be made and recorded in the office of the court administrator, ordering that henceforth the child person to be adopted shall be the child of the petitioner. In the decree the court may change the name of the child adopted person if desired. After the decree is granted for ~~a child~~ an adopted person who is:

(1) under the guardianship of the commissioner or a licensed child-placing agency according to section 260C.201, subdivision 11, or 260C.317;

(2) placed by the commissioner, commissioner's agent, or licensed child-placing agency after a consent to adopt according to section 259.24 or under an agreement conferring authority to place for adoption according to section 259.25; or

(3) adopted after a direct adoptive placement ordered by the district court under section 259.47, the court administrator shall immediately mail a copy of the recorded decree to the commissioner of human services;

(b) if the court is not satisfied that the proposed adoption is in the best interests of the child person to be adopted, the court shall deny the petition, and in the case of a child shall order the child returned to the custody of the person or agency legally vested with permanent custody or certify the case for appropriate action and disposition to the court having jurisdiction to determine the custody and guardianship of the child.

Sec. 11. Minnesota Statutes 2006, section 259.59, subdivision 1, is amended to read:

Subdivision 1. **Legal effect.** Upon adoption, the child adopted person shall become the legal child of the adopting persons and they shall become the legal parents of the child with all the rights and duties between them of birth parents and legitimate child. By virtue of the adoption the child adopted person shall inherit from the adoptive parents or their relatives the same as though the child adopted person were the natural child of the parents, and in case of the child's adopted person's death intestate the adoptive parents and their relatives shall inherit the child's adopted person's estate as if ~~they~~ the adopted person had been the child's birth parents and relatives. After a decree of adoption is entered the birth parents of an adopted child person shall be relieved of all parental responsibilities for the child adopted person, and they shall not exercise or have any rights over the adopted child person or the child's adopted person's property. The child adopted person shall not owe the birth parents or their relatives any legal duty nor shall the child adopted person inherit from the birth parents or kindred, except as provided in subdivision 1a and section 257C.08, subdivision 6.

Sec. 12. Minnesota Statutes 2006, section 259.59, subdivision 2, is amended to read:

Subd. 2. **Enrollment in American Indian tribe.** Notwithstanding the provisions of subdivision 1, the adoption of a child person whose birth parent or parents are enrolled in an American Indian tribe shall not change the child's person's enrollment in that tribe.

Sec. 13. Minnesota Statutes 2006, section 259.67, subdivision 2, is amended to read:

Subd. 2. **Adoption assistance agreement.** The placing agency shall certify a child as eligible for adoption assistance according to rules promulgated by the commissioner. The placing agency shall not certify a child who remains under the jurisdiction of the sending agency pursuant to section 260.851, article 5, for state-funded adoption assistance when Minnesota is the receiving state. Not later than 30 days after a parent or parents are found and approved for adoptive placement of a child certified as eligible for adoption assistance, and before the final decree of adoption is issued, a written agreement must be entered into by the commissioner, the adoptive parent or parents, and the placing agency. The written agreement must be fully completed by the placing agency and in the form prescribed by the commissioner and must set forth the responsibilities of all parties, the anticipated duration of the adoption assistance payments, and the payment terms. The adoption assistance agreement shall be subject to the commissioner's approval, which must be granted or denied not later than 15 days after the agreement is entered.

The amount of adoption assistance is subject to the availability of state and federal funds and shall be determined through agreement with the adoptive parents. The agreement shall take into consideration the circumstances of the adopting parent or parents, the needs of the child being adopted and may provide ongoing monthly assistance, supplemental maintenance expenses related to the ~~adopted person's~~ child's special needs, nonmedical expenses periodically necessary for purchase of services, items, or equipment related to the special needs, and medical expenses. The placing agency or the adoptive parent or parents shall provide written documentation to support the need for adoption assistance payments. The commissioner may require periodic reevaluation of adoption assistance payments. The amount of ongoing monthly adoption assistance granted may in no case exceed that which would be allowable for the child under foster family care and is subject to the availability of state and federal funds.

Sec. 14. Minnesota Statutes 2006, section 259.67, subdivision 3, is amended to read:

Subd. 3. **Annual affidavit Modification or termination of the adoption assistance agreement.** ~~When adoption assistance agreements are for more than one year, the adoptive parents or guardian or conservator shall annually present an affidavit stating whether the adopted person remains under their care and whether the need for adoption assistance continues to exist. The commissioner may verify the affidavit.~~ The adoption assistance agreement shall continue in accordance with its terms as long as the need for adoption assistance continues and the adopted ~~person~~ child is the legal or financial dependent of the adoptive parent or parents or guardian or conservator and is under 18 years of age. The adoption assistance agreement may be extended to age 22 as allowed by rules adopted by the commissioner. Termination or modification of the adoption assistance agreement may be requested by the adoptive parents or subsequent guardian or conservator at any time. When the commissioner determines that a child is eligible for adoption assistance under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 679a, the commissioner shall modify the adoption assistance agreement in order to obtain the funds under that act.

Sec. 15. Minnesota Statutes 2006, section 259.67, is amended by adding a subdivision to read:

Subd. 3a. **Recovery of overpayments.** An amount of adoption assistance paid to an adoptive parent in excess of the payment due is recoverable by the commissioner, even when the overpayment was caused by agency error or circumstances outside the responsibility and control of the family or provider. Adoption assistance amounts covered by this subdivision include basic

maintenance needs payments, monthly supplemental maintenance needs payments, reimbursement of nonrecurring adoption expenses, reimbursement of special nonmedical costs, and reimbursement of medical costs.

Sec. 16. Minnesota Statutes 2007 Supplement, section 259.67, subdivision 4, is amended to read:

Subd. 4. **Eligibility conditions.** (a) The placing agency shall use the AFDC requirements as specified in federal law as of July 16, 1996, when determining the child's eligibility for adoption assistance under title IV-E of the Social Security Act. If the child does not qualify, the placing agency shall certify a child as eligible for state funded adoption assistance only if the following criteria are met:

(1) Due to the child's characteristics or circumstances it would be difficult to provide the child an adoptive home without adoption assistance.

(2)(i) A placement agency has made reasonable efforts to place the child for adoption without adoption assistance, but has been unsuccessful; ~~or~~

(ii) the child's licensed foster parents desire to adopt the child and it is determined by the placing agency that the adoption is in the best interest of the child; or

(iii) the child's relative, as defined in section 260C.007, subdivision 27, desires to adopt the child, and it is determined by the placing agency that the adoption is in the best interest of the child.

(3)(i) ~~The child has been~~ is a ward of the commissioner, ~~a Minnesota licensed child placing agency,~~ or a tribal social service agency of Minnesota recognized by the Secretary of the Interior; or (ii) the child will be adopted according to tribal law without a termination of parental rights or relinquishment, provided that the tribe has documented the valid reason why the child cannot or should not be returned to the home of the child's parent. The placing agency shall not certify a child who remains under the jurisdiction of the sending agency pursuant to section 260.851, article 5, for state-funded adoption assistance when Minnesota is the receiving state. A child who is adopted by the child's legal custodian or guardian shall not be eligible for state-funded adoption assistance.

(b) ~~For purposes of this subdivision, The characteristics or circumstances that may be considered in determining whether a child is a child with special needs under United States Code, title 42, chapter 7, subchapter IV, part E, or meets the requirements of paragraph (a), clause (1), or section 473(c)(2)(A) of the Social Security Act, are the following:~~

(1) The child is a member of a sibling group to be placed as one unit in which at least one sibling is older than 15 months of age or is described in clause (2) or (3).

(2) The child has documented physical, mental, emotional, or behavioral disabilities.

(3) The child has a high risk of developing physical, mental, emotional, or behavioral disabilities.

(4) The child is five years of age or older.

(c) When a child's eligibility for adoption assistance is based upon the high risk of developing physical, mental, emotional, or behavioral disabilities, payments shall not be made under the adoption assistance agreement unless and until the potential disability manifests itself as documented by an appropriate health care professional.

Sec. 17. Minnesota Statutes 2006, section 259.75, subdivision 5, is amended to read:

Subd. 5. **Withdrawal of registration.** A child's registration shall be withdrawn when the exchange service has been notified in writing by the local social service agency ~~and~~ or the licensed child-placing agency that the child has been adopted, has become 14 years old and will not consent to an adoption plan, placed in an adoptive home or has died.

Sec. 18. Minnesota Statutes 2006, section 259.89, subdivision 1, is amended to read:

Subdivision 1. **Request.** An adopted person who is 19 years of age or over may request the commissioner of health to disclose the information on the adopted person's original birth record. The commissioner of health shall, within five days of receipt of the request, notify the commissioner of human ~~services~~ services' agent or licensed child-placing agency when known, or the commissioner of human services when the agency is not known in writing of the request by the adopted person.

Sec. 19. Minnesota Statutes 2006, section 259.89, subdivision 2, is amended to read:

Subd. 2. **Search.** Within six months after receiving notice of the request of the adopted person, the commissioner of human ~~services~~ services' agent or a licensed child-placing agency shall make complete and reasonable efforts to notify each parent identified on the original birth record of the adopted person. The commissioner, the commissioner's agents, and licensed child-placing agencies may charge a reasonable fee to the adopted person for the cost of making a search pursuant to this subdivision. Every licensed child-placing agency in the state shall cooperate with the commissioner of human services in efforts to notify an identified parent. All communications under this subdivision are confidential pursuant to section 13.02, subdivision 3.

For purposes of this subdivision, "notify" means a personal and confidential contact with the birth parents named on the original birth record of the adopted person. The contact ~~shall not be by mail and~~ shall be by an employee or agent of the licensed child-placing agency which processed the pertinent adoption or some other licensed child-placing agency designated by the commissioner of human services when it is determined to be reasonable by the commissioner; otherwise contact shall be by mail or telephone. The contact shall be evidenced by filing with the commissioner of health an affidavit of notification executed by the person who notified each parent certifying that each parent was given the following information:

- ~~(a)~~ (1) the nature of the information requested by the adopted person;
- ~~(b)~~ (2) the date of the request of the adopted person;
- ~~(c)~~ (3) the right of the parent to file, within 30 days of receipt of the notice, an affidavit with the commissioner of health stating that the information on the original birth record should not be disclosed;
- ~~(d)~~ (4) the right of the parent to file a consent to disclosure with the commissioner of health at any time; and
- ~~(e)~~ (5) the effect of a failure of the parent to file either a consent to disclosure or an affidavit stating that the information on the original birth record should not be disclosed.

Sec. 20. Minnesota Statutes 2006, section 259.89, subdivision 4, is amended to read:

Subd. 4. **Release of information after notice.** If, within six months, the commissioner of human

~~services certifies~~ services' agent or licensed child-placing agency document to the commissioner of health notification of each parent identified on the original birth record pursuant to subdivision 2, the commissioner of health shall disclose the information requested by the adopted person 31 days after the date of the latest notice to either parent. This disclosure will occur if, at any time during the 31 days both of the parents identified on the original birth record have filed a consent to disclosure with the commissioner of health and neither consent to disclosure has been revoked by the subsequent filing by a parent of an affidavit stating that the information should not be disclosed. If only one parent has filed a consent to disclosure and the consent has not been revoked, the commissioner of health shall disclose, to the adopted person, original birth record information on the consenting parent only.

Sec. 21. Minnesota Statutes 2006, section 259.89, is amended by adding a subdivision to read:

Subd. 7. **Adult adoptions.** Notwithstanding section 144.218, a person adopted as an adult shall be permitted to access the person's birth records that existed prior to the adult adoption. Access to the existing birth records shall be the same access that was permitted prior to the adult adoption.

Sec. 22. Minnesota Statutes 2006, section 260.835, subdivision 2, is amended to read:

Subd. 2. **Expiration.** Notwithstanding section 15.059, subdivision 5, the American Indian Child Welfare Advisory Council expires June 30, ~~2008~~ 2012.

Sec. 23. **[260.853] INTERSTATE COMPACT FOR THE PLACEMENT OF CHILDREN.**

ARTICLE I. PURPOSE

The purpose of this Interstate Compact for the Placement of Children is to:

A. Provide a process through which children subject to this compact are placed in safe and suitable homes in a timely manner.

B. Facilitate ongoing supervision of a placement, the delivery of services, and communication between the states.

C. Provide operating procedures that will ensure that children are placed in safe and suitable homes in a timely manner.

D. Provide for the promulgation and enforcement of administrative rules implementing the provisions of this compact and regulating the covered activities of the member states.

E. Provide for uniform data collection and information sharing between member states under this compact.

F. Promote coordination between this compact, the Interstate Compact for Juveniles, the Interstate Compact on Adoption and Medical Assistance and other compacts affecting the placement of and which provide services to children otherwise subject to this compact.

G. Provide for a state's continuing legal jurisdiction and responsibility for placement and care of a child that it would have had if the placement were intrastate.

H. Provide for the promulgation of guidelines, in collaboration with Indian tribes, for interstate cases involving Indian children as is or may be permitted by federal law.

ARTICLE II. DEFINITIONS

As used in this compact,

A. "Approved placement" means the public child-placing agency in the receiving state has determined that the placement is both safe and suitable for the child.

B. "Assessment" means an evaluation of a prospective placement by a public child-placing agency to determine whether the placement meets the individualized needs of the child, including but not limited to the child's safety and stability, health and well-being, and mental, emotional, and physical development. An assessment is only applicable to a placement by a public child-placing agency.

C. "Child" means an individual who has not attained the age of eighteen (18).

D. "Certification" means to attest, declare, or be sworn to before a judge or notary public.

E. "Default" means the failure of a member state to perform the obligations or responsibilities imposed upon it by this compact, the bylaws or rules of the Interstate Commission.

F. "Home Study" means an evaluation of a home environment conducted according to the applicable requirements of the state in which the home is located, and documents the preparation and the suitability of the placement resource for placement of a child according to the laws and requirements of the state in which the home is located.

G. "Indian tribe" means any Indian tribe, band, nation, or other organized group or community of Indians recognized as eligible for services provided to Indians by the Secretary of the Interior because of their status as Indians, including any Alaskan native village as defined in section 3 (c) of the Alaska Native Claims settlement Act at 43 USC §1602(c).

H. "Interstate Commission for the Placement of Children" means the commission that is created under Article VIII of this compact and which is generally referred to as the Interstate Commission.

I. "Jurisdiction" means the power and authority of a court to hear and decide matters.

J. "Legal Risk Placement" ("Legal Risk Adoption") means a placement made preliminary to an adoption where the prospective adoptive parents acknowledge in writing that a child can be ordered returned to the sending state or the birth mother's state of residence, if different from the sending state and a final decree of adoption shall not be entered in any jurisdiction until all required consents are obtained or are dispensed with according to applicable law.

K. "Member state" means a state that has enacted this compact.

L. "Noncustodial parent" means a person who, at the time of the commencement of court proceedings in the sending state, does not have sole legal custody of the child or has joint legal custody of a child, and who is not the subject of allegations or findings of child abuse or neglect.

M. "Nonmember state" means a state which has not enacted this compact.

N. "Notice of residential placement" means information regarding a placement into a residential facility provided to the receiving state including, but not limited to the name, date and place of birth of the child, the identity and address of the parent or legal guardian, evidence of authority to make

the placement, and the name and address of the facility in which the child will be placed. Notice of residential placement shall also include information regarding a discharge and any unauthorized absence from the facility.

O. "Placement" means the act by a public or private child-placing agency intended to arrange for the care or custody of a child in another state.

P. "Private child-placing agency" means any private corporation, agency, foundation, institution, or charitable organization, or any private person or attorney that facilitates, causes, or is involved in the placement of a child from one state to another and that is not an instrumentality of the state or acting under color of state law.

Q. "Provisional placement" means a determination made by the public child-placing agency in the receiving state that the proposed placement is safe and suitable, and, to the extent allowable, the receiving state has temporarily waived its standards or requirements otherwise applicable to prospective foster or adoptive parents so as to not delay the placement. Completion of an assessment and the receiving state requirements regarding training for prospective foster or adoptive parents shall not delay an otherwise safe and suitable placement.

R. "Public child-placing agency" means any government child welfare agency or child protection agency or a private entity under contract with such an agency, regardless of whether they act on behalf of a state, county, municipality, or other governmental unit and which facilitates, causes, or is involved in the placement of a child from one state to another.

S. "Receiving state" means the state to which a child is sent, brought, or caused to be sent or brought.

T. "Relative" means someone who is related to the child as a parent, step-parent, sibling by half or whole blood or by adoption, grandparent, aunt, uncle, or first cousin or a non-relative with such significant ties to the child that they may be regarded as relatives as determined by the court in the sending state.

U. "Residential Facility" means a facility providing a level of care that is sufficient to substitute for parental responsibility or foster care, and is beyond what is needed for assessment or treatment of an acute condition. For purposes of the compact, residential facilities do not include institutions primarily educational in character, hospitals, or other medical facilities.

V. "Rule" means a written directive, mandate, standard, or principle issued by the Interstate Commission promulgated pursuant to Article XI of this compact that is of general applicability and that implements, interprets, or prescribes a policy or provision of the compact. Rule has the force and effect of an administrative rule in a member state, and includes the amendment, repeal, or suspension of an existing rule.

W. "Sending state" means the state from which the placement of a child is initiated.

X. "Service member's permanent duty station" means the military installation where an active duty Armed Services member is currently assigned and is physically located under competent orders that do not specify the duty as temporary.

Y. "Service member's state of legal residence" means the state in which the active duty Armed Services member is considered a resident for tax and voting purposes.

Z. "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Northern Marianas Islands, and any other territory of the United States.

AA. "State court" means a judicial body of a state that is vested by law with responsibility for adjudicating cases involving abuse, neglect, deprivation, delinquency, or status offenses of individuals who have not attained the age of eighteen (18).

BB. "Supervision" means monitoring provided by the receiving state once a child has been placed in a receiving state pursuant to this compact.

ARTICLE III. APPLICABILITY

A. Except as otherwise provided in Article III, Section B, this compact shall apply to:

1. The interstate placement of a child subject to ongoing court jurisdiction in the sending state, due to allegations or findings that the child has been abused, neglected, or deprived as defined by the laws of the sending state, provided, however, that the placement of such a child into a residential facility shall only require notice of residential placement to the receiving state prior to placement.

2. The interstate placement of a child adjudicated delinquent or unmanageable based on the laws of the sending state and subject to ongoing court jurisdiction of the sending state if:

a. the child is being placed in a residential facility in another member state and is not covered under another compact; or

b. the child is being placed in another member state and the determination of safety and suitability of the placement and services required is not provided through another compact.

3. The interstate placement of any child by a public child-placing agency or private child-placing agency as defined in this compact as a preliminary step to a possible adoption.

B. The provisions of this compact shall not apply to:

1. The interstate placement of a child in a custody proceeding in which a public child placing agency is not a party, provided the placement is not intended to effectuate an adoption.

2. The interstate placement of a child with a non-relative in a receiving state by a parent with the legal authority to make such a placement provided, however, that the placement is not intended to effectuate an adoption.

3. The interstate placement of a child by one relative with the lawful authority to make such a placement directly with a relative in a receiving state.

4. The placement of a child, not subject to Article III, Section A, into a residential facility by his parent.

5. The placement of a child with a noncustodial parent provided that:

a. The noncustodial parent proves to the satisfaction of a court in the sending state a substantial relationship with the child; and

b. The court in the sending state makes a written finding that placement with the non-custodial

parent is in the best interests of the child; and

c. The court in the sending state dismisses its jurisdiction over the child's case.

6. A child entering the United States from a foreign country for the purpose of adoption or leaving the United States to go to a foreign country for the purpose of adoption in that country.

7. Cases in which a U.S. citizen child living overseas with his family, at least one of whom is in the U.S. Armed Services, and who is stationed overseas, is removed and placed in a state.

8. The sending of a child by a public child-placing agency or a private child-placing agency for a visit as defined by the rules of the Interstate Commission.

C. For purposes of determining the applicability of this compact to the placement of a child with a family in the Armed Services, the public child-placing agency or private child-placing agency may choose the state of the service member's permanent duty station or the service member's declared legal residence.

D. Nothing in this compact shall be construed to prohibit the concurrent application of the provisions of this compact with other applicable interstate compacts including the Interstate Compact for Juveniles and the Interstate Compact on Adoption and Medical Assistance. The Interstate Commission may in cooperation with other interstate compact commissions having responsibility for the interstate movement, placement, or transfer of children, promulgate like rules to ensure the coordination of services, timely placement of children, and the reduction of unnecessary or duplicative administrative or procedural requirements.

ARTICLE IV. JURISDICTION

A. Except as provided in Article IV, Section G, concerning private and independent adoptions and in interstate placements in which the public child placing agency is not a party to a custody proceeding, the sending state shall retain jurisdiction over a child with respect to all matters of custody and disposition of the child which it would have had if the child had remained in the sending state. Such jurisdiction shall also include the power to order the return of the child to the sending state.

B. When an issue of child protection or custody is brought before a court in the receiving state, such court shall confer with the court of the sending state to determine the most appropriate forum for adjudication.

C. In accordance with its own laws, the court in the sending state shall have authority to terminate its jurisdiction if:

1. The child is reunified with the parent in the receiving state who is the subject of allegations or findings of abuse or neglect, only with the concurrence of the public child-placing agency in the receiving state; or

2. The child is adopted;

3. The child reaches the age of majority under the laws of the sending state; or

4. The child achieves legal independence pursuant to the laws of the sending state; or

5. A guardianship is created by a court in the receiving state with the concurrence of the court in the sending state; or

6. An Indian tribe has petitioned for and received jurisdiction from the court in the sending state; or

7. The public child-placing agency of the sending state requests termination and has obtained the concurrence of the public child-placing agency in the receiving the state.

D. When a sending state court terminates its jurisdiction, the receiving state child-placing agency shall be notified.

E. Nothing in this article shall defeat a claim of jurisdiction by a receiving state court sufficient to deal with an act of truancy, delinquency, crime, or behavior involving a child as defined by the laws of the receiving state committed by the child in the receiving state which would be a violation of its laws.

F. Nothing in this article shall limit the receiving state's ability to take emergency jurisdiction for the protection of the child.

G. The substantive laws of the state in which an adoption will be finalized shall solely govern all issues relating to the adoption of the child and the court in which the adoption proceeding is filed shall have subject matter jurisdiction regarding all substantive issues relating to the adoption, except:

1. when the child is a ward of another court that established jurisdiction over the child prior to the placement;

2. when the child is in the legal custody of a public agency in the sending state; or

3. when the court in the sending state has otherwise appropriately assumed jurisdiction over the child, prior to the submission of the request for approval of placement.

ARTICLE V. PLACEMENT EVALUATION

A. Prior to sending, bringing, or causing a child to be sent or brought into a receiving state, the public child-placing agency shall provide a written request for assessment to the receiving state.

B. For placements by a private child-placing agency, a child may be sent or brought, or caused to be sent or brought, into a receiving state, upon receipt and immediate review of the required content in a request for approval of a placement in both the sending and receiving state public child-placing agency. The required content to accompany a request for provisional approval shall include all of the following:

1. A request for approval identifying the child, birth parents, the prospective adoptive parents, and the supervising agency, signed by the person requesting approval; and

2. The appropriate consents or relinquishments signed by the birthparents in accordance with the laws of the sending state or, where permitted, the laws of the state where the adoption will be finalized; and

3. Certification by a licensed attorney or other authorized agent of a private adoption agency

that the consent or relinquishment is in compliance with the applicable laws of the sending state, or where permitted the laws of the state where finalization of the adoption will occur; and

4. A home study; and

5. An acknowledgment of legal risk signed by the prospective adoptive parents.

C. The sending state and the receiving state may request additional information or documents prior to finalization of an approved placement, but they may not delay travel by the prospective adoptive parents with the child if the required content for approval has been submitted, received, and reviewed by the public child-placing agency in both the sending state and the receiving state.

D. Approval from the public child-placing agency in the receiving state for a provisional or approved placement is required as provided for in the rules of the Interstate Commission.

E. The procedures for making, and the request for an assessment, shall contain all information and be in such form as provided for in the rules of the Interstate Commission.

F. Upon receipt of a request from the public child-placing agency of the sending state, the receiving state shall initiate an assessment of the proposed placement to determine its safety and suitability. If the proposed placement is a placement with a relative, the public child-placing agency of the sending state may request a determination for a provisional placement.

G. The public child-placing agency in the receiving state may request from the public child-placing agency or the private child-placing agency in the sending state, and shall be entitled to receive supporting or additional information necessary to complete the assessment.

ARTICLE VI. PLACEMENT AUTHORITY

A. Except as otherwise provided in this compact, no child subject to this compact shall be placed into a receiving state until approval for such placement is obtained.

B. If the public child-placing agency in the receiving state does not approve the proposed placement then the child shall not be placed. The receiving state shall provide written documentation of any such determination in accordance with the rules promulgated by the Interstate Commission. Such determination is not subject to judicial review in the sending state.

C. If the proposed placement is not approved, any interested party shall have standing to seek an administrative review of the receiving state's determination.

1. The administrative review and any further judicial review associated with the determination shall be conducted in the receiving state pursuant to its applicable administrative procedures.

2. If a determination not to approve the placement of the child in the receiving state is overturned upon review, the placement shall be deemed approved, provided however that all administrative or judicial remedies have been exhausted or the time for such remedies has passed.

ARTICLE VII. PLACING AGENCY RESPONSIBILITY

A. For the interstate placement of a child made by a public child-placing agency or state court:

1. The public child-placing agency in the sending state shall have financial responsibility for:

a. the ongoing support and maintenance for the child during the period of the placement, unless otherwise provided for in the receiving state; and

b. as determined by the public child-placing agency in the sending state, services for the child beyond the public services for which the child is eligible in the receiving state.

2. The receiving state shall only have financial responsibility for:

a. any assessment conducted by the receiving state; and

b. supervision conducted by the receiving state at the level necessary to support the placement as agreed upon by the public child-placing agencies of the receiving and sending state.

3. Nothing in this provision shall prohibit public child-placing agencies in the sending state from entering into agreements with licensed agencies or persons in the receiving state to conduct assessments and provide supervision.

B. For the placement of a child by a private child-placing agency preliminary to a possible adoption, the private child-placing agency shall be:

1. Legally responsible for the child during the period of placement as provided for in the law of the sending state until the finalization of the adoption.

2. Financially responsible for the child absent a contractual agreement to the contrary.

C. The public child-placing agency in the receiving state shall provide timely assessments, as provided for in the rules of the Interstate Commission.

D. The public child-placing agency in the receiving state shall provide, or arrange for the provision of, supervision and services for the child, including timely reports, during the period of the placement.

E. Nothing in this compact shall be construed as to limit the authority of the public child-placing agency in the receiving state from contracting with a licensed agency or person in the receiving state for an assessment or the provision of supervision or services for the child or otherwise authorizing the provision of supervision or services by a licensed agency during the period of placement.

F. Each member state shall provide for coordination among its branches of government concerning the state's participation in, and compliance with, the compact and Interstate Commission activities, through the creation of an advisory council or use of an existing body or board.

G. Each member state shall establish a central state compact office, which shall be responsible for state compliance with the compact and the rules of the Interstate Commission.

H. The public child-placing agency in the sending state shall oversee compliance with the provisions of the Indian Child Welfare Act (25 USC 1901 et seq.) for placements subject to the provisions of this compact, prior to placement.

I. With the consent of the Interstate Commission, states may enter into limited agreements that facilitate the timely assessment and provision of services and supervision of placements under this compact.

ARTICLE VIII. INTERSTATE COMMISSION FOR THE

PLACEMENT OF CHILDREN

The member states hereby establish, by way of this compact, a commission known as the "Interstate Commission for the Placement of Children." The activities of the Interstate Commission are the formation of public policy and are a discretionary state function. The Interstate Commission shall:

A. Be a joint commission of the member states and shall have the responsibilities, powers and duties set forth herein, and such additional powers as may be conferred upon it by subsequent concurrent action of the respective legislatures of the member states.

B. Consist of one commissioner from each member state who shall be appointed by the executive head of the state human services administration with ultimate responsibility for the child welfare program. The appointed commissioner shall have the legal authority to vote on policy related matters governed by this compact binding the state.

1. Each member state represented at a meeting of the Interstate Commission is entitled to one vote.

2. A majority of the member states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Interstate Commission.

3. A representative shall not delegate a vote to another member state.

4. A representative may delegate voting authority to another person from their state for a specified meeting.

C. In addition to the commissioners of each member state, the Interstate Commission shall include persons who are members of interested organizations as defined in the bylaws or rules of the Interstate Commission. Such members shall be ex officio and shall not be entitled to vote on any matter before the Interstate Commission.

D. Establish an executive committee which shall have the authority to administer the day-to-day operations and administration of the Interstate Commission. It shall not have the power to engage in rulemaking.

ARTICLE IX. POWERS AND DUTIES OFTHE INTERSTATE COMMISSION

The Interstate Commission shall have the following powers:

A. To promulgate rules and take all necessary actions to effect the goals, purposes and obligations as enumerated in this compact.

B. To provide for dispute resolution among member states.

C. To issue, upon request of a member state, advisory opinions concerning the meaning or interpretation of the interstate compact, its bylaws, rules or actions.

D. To enforce compliance with this compact or the bylaws or rules of the Interstate Commission pursuant to Article XII.

E. Collect standardized data concerning the interstate placement of children subject to this compact as directed through its rules which shall specify the data to be collected, the means of collection and data exchange and reporting requirements.

F. To establish and maintain offices as may be necessary for the transacting of its business.

G. To purchase and maintain insurance and bonds.

H. To hire or contract for services of personnel or consultants as necessary to carry out its functions under the compact and establish personnel qualification policies, and rates of compensation.

I. To establish and appoint committees and officers including, but not limited to, an executive committee as required by Article X.

J. To accept any and all donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose thereof.

K. To lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed.

L. To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed.

M. To establish a budget and make expenditures.

N. To adopt a seal and bylaws governing the management and operation of the Interstate Commission.

O. To report annually to the legislatures, governors, the judiciary, and state advisory councils of the member states concerning the activities of the Interstate Commission during the preceding year. Such reports shall also include any recommendations that may have been adopted by the Interstate Commission.

P. To coordinate and provide education, training, and public awareness regarding the interstate movement of children for officials involved in such activity.

Q. To maintain books and records in accordance with the bylaws of the Interstate Commission.

R. To perform such functions as may be necessary or appropriate to achieve the purposes of this compact.

ARTICLE X. ORGANIZATION AND OPERATION OF THE INTERSTATE COMMISSION

A. Bylaws

1. Within 12 months after the first Interstate Commission meeting, the Interstate Commission shall adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the compact.

2. The Interstate Commission's bylaws and rules shall establish conditions and procedures under which the Interstate Commission shall make its information and official records available to the public for inspection or copying. The Interstate Commission may exempt from disclosure

information or official records to the extent they would adversely affect personal privacy rights or proprietary interests.

B. Meetings

1. The Interstate Commission shall meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of a simple majority of the member states shall call additional meetings.

2. Public notice shall be given by the Interstate Commission of all meetings and all meetings shall be open to the public, except as set forth in the rules or as otherwise provided in the compact. The Interstate Commission and its committees may close a meeting, or portion thereof, where it determines by two-thirds vote that an open meeting would be likely to:

- a. relate solely to the Interstate Commission's internal personnel practices and procedures; or
- b. disclose matters specifically exempted from disclosure by federal law; or
- c. disclose financial or commercial information which is privileged, proprietary or confidential in nature; or
- d. involve accusing a person of a crime, or formally censuring a person; or
- e. disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy or physically endanger one or more persons; or
- f. disclose investigative records compiled for law enforcement purposes; or
- g. specifically relate to the Interstate Commission's participation in a civil action or other legal proceeding.

3. For a meeting, or portion of a meeting, closed pursuant to this provision, the Interstate Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exemption provision. The Interstate Commission shall keep minutes which shall fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed and the record of a roll call vote. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Interstate Commission or by court order.

4. The bylaws may provide for meetings of the Interstate Commission to be conducted by telecommunication or other electronic communication.

C. Officers and Staff

1. The Interstate Commission may, through its executive committee, appoint or retain a staff director for such period, upon such terms and conditions and for such compensation as the Interstate Commission may deem appropriate. The staff director shall serve as secretary to the Interstate Commission, but shall not have a vote. The staff director may hire and supervise such other staff as may be authorized by the Interstate Commission.

2. The Interstate Commission shall elect, from among its members, a chairperson and a vice

chairperson of the executive committee and other necessary officers, each of whom shall have such authority and duties as may be specified in the bylaws.

D. Qualified Immunity, Defense and Indemnification

1. The Interstate Commission's staff director and its employees shall be immune from suit and liability, either personally or in their official capacity, for a claim for damage to or loss of property or personal injury or other civil liability caused or arising out of or relating to an actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided, that such person shall not be protected from suit or liability for damage, loss, injury, or liability caused by a criminal act or the intentional or willful and wanton misconduct of such person.

a. The liability of the Interstate Commission's staff director and employees or Interstate Commission representatives, acting within the scope of such person's employment or duties for acts, errors, or omissions occurring within such person's state may not exceed the limits of liability set forth under the Constitution and laws of that state for state officials, employees, and agents. The Interstate Commission is considered to be an instrumentality of the states for the purposes of any such action. Nothing in this subsection shall be construed to protect such person from suit or liability for damage, loss, injury, or liability caused by a criminal act or the intentional or willful and wanton misconduct of such person.

b. The Interstate Commission shall defend the staff director and its employees and, subject to the approval of the Attorney General or other appropriate legal counsel of the member state shall defend the commissioner of a member state in a civil action seeking to impose liability arising out of an actual or alleged act, error, or omission that occurred within the scope of Interstate Commission employment, duties or responsibilities, or that the defendant had a reasonable basis for believing occurred within the scope of Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such person.

c. To the extent not covered by the state involved, member state, or the Interstate Commission, the representatives or employees of the Interstate Commission shall be held harmless in the amount of a settlement or judgment, including attorney's fees and costs, obtained against such persons arising out of an actual or alleged act, error, or omission that occurred within the scope of Interstate Commission employment, duties, or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such persons.

ARTICLE XI. RULEMAKING FUNCTIONS OF

THE INTERSTATE COMMISSION

A. The Interstate Commission shall promulgate and publish rules in order to effectively and efficiently achieve the purposes of the compact.

B. Rulemaking shall occur pursuant to the criteria set forth in this article and the bylaws and rules adopted pursuant thereto. Such rulemaking shall substantially conform to the principles of the "Model State Administrative Procedures Act," 1981 Act, Uniform Laws Annotated, Vol. 15, p.1

(2000), or such other administrative procedure acts as the Interstate Commission deems appropriate consistent with due process requirements under the United States Constitution as now or hereafter interpreted by the U. S. Supreme Court. All rules and amendments shall become binding as of the date specified, as published with the final version of the rule as approved by the Interstate Commission.

C. When promulgating a rule, the Interstate Commission shall, at a minimum:

1. Publish the proposed rule's entire text stating the reason(s) for that proposed rule; and
2. Allow and invite any and all persons to submit written data, facts, opinions, and arguments, which information shall be added to the record, and be made publicly available; and
3. Promulgate a final rule and its effective date, if appropriate, based on input from state or local officials, or interested parties.

D. Rules promulgated by the Interstate Commission shall have the force and effect of administrative rules and shall be binding in the compacting states to the extent and in the manner provided for in this compact.

E. Not later than 60 days after a rule is promulgated, an interested person may file a petition in the U.S. District Court for the District of Columbia or in the Federal District Court where the Interstate Commission's principal office is located for judicial review of such rule. If the court finds that the Interstate Commission's action is not supported by substantial evidence in the rulemaking record, the court shall hold the rule unlawful and set it aside.

F. If a majority of the legislatures of the member states rejects a rule, those states may by enactment of a statute or resolution in the same manner used to adopt the compact cause that such rule shall have no further force and effect in any member state.

G. The existing rules governing the operation of the Interstate Compact on the Placement of Children superseded by this act shall be null and void no less than 12, but no more than 24 months after the first meeting of the Interstate Commission created hereunder, as determined by the members during the first meeting.

H. Within the first 12 months of operation, the Interstate Commission shall promulgate rules addressing the following:

1. Transition rules
2. Forms and procedures
3. Time lines
4. Data collection and reporting
5. Rulemaking
6. Visitation
7. Progress reports/supervision
8. Sharing of information/confidentiality

9. Financing of the Interstate Commission10. Mediation, arbitration, and dispute resolution11. Education, training, and technical assistance12. Enforcement13. Coordination with other interstate compacts

I. Upon determination by a majority of the members of the Interstate Commission that an emergency exists:

1. The Interstate Commission may promulgate an emergency rule only if it is required to:

a. Protect the children covered by this compact from an imminent threat to their health, safety, and well-being; or

b. Prevent loss of federal or state funds; or

c. Meet a deadline for the promulgation of an administrative rule required by federal law.

2. An emergency rule shall become effective immediately upon adoption, provided that the usual rulemaking procedures provided hereunder shall be retroactively applied to said rule as soon as reasonably possible, but no later than 90 days after the effective date of the emergency rule.

3. An emergency rule shall be promulgated as provided for in the rules of the Interstate Commission.

ARTICLE XII. OVERSIGHT, DISPUTE RESOLUTION,

ENFORCEMENT

A. Oversight

1. The Interstate Commission shall oversee the administration and operation of the compact.

2. The executive, legislative, and judicial branches of state government in each member state shall enforce this compact and the rules of the Interstate Commission and shall take all actions necessary and appropriate to effectuate the compact's purposes and intent. The compact and its rules shall be binding in the compacting states to the extent and in the manner provided for in this compact.

3. All courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact.

4. The Interstate Commission shall be entitled to receive service of process in any action in which the validity of a compact provision or rule is the issue for which a judicial determination has been sought and shall have standing to intervene in any proceedings. Failure to provide service of process to the Interstate Commission shall render any judgment, order or other determination, however so captioned or classified, void as to the Interstate Commission, this compact, its bylaws, or rules of the Interstate Commission.

B. Dispute Resolution

1. The Interstate Commission shall attempt, upon the request of a member state, to resolve disputes which are subject to the compact and which may arise among member states and between member and nonmember states.

2. The Interstate Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes among compacting states. The costs of such mediation or dispute resolution shall be the responsibility of the parties to the dispute.

C. Enforcement

1. If the Interstate Commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact, its bylaws or rules, the Interstate Commission may:

a. Provide remedial training and specific technical assistance; or

b. Provide written notice to the defaulting state and other member states, of the nature of the default and the means of curing the default. The Interstate Commission shall specify the conditions by which the defaulting state must cure its default; or

c. By majority vote of the members, initiate against a defaulting member state legal action in the United State District Court for the District of Columbia or, at the discretion of the Interstate Commission, in the federal district where the Interstate Commission has its principal office, to enforce compliance with the provisions of the compact, its bylaws, or rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary the prevailing party shall be awarded all costs of such litigation including reasonable attorney's fees; or

d. Avail itself of any other remedies available under state law or the regulation of official or professional conduct.

ARTICLE XIII. FINANCING OF THE COMMISSION

A. The Interstate Commission shall pay, or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities.

B. The Interstate Commission may levy on and collect an annual assessment from each member state to cover the cost of the operations and activities of the Interstate Commission and its staff which must be in a total amount sufficient to cover the Interstate Commission's annual budget as approved by its members each year. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Interstate Commission which shall promulgate a rule binding upon all member states.

C. The Interstate Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Interstate Commission pledge the credit of any of the member states, except by and with the authority of the member state.

D. The Interstate Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Interstate Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Interstate Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of

the Interstate Commission.

ARTICLE XIV. MEMBER STATES, EFFECTIVE DATE
AND AMENDMENT

A. Any state is eligible to become a member state.

B. The compact shall become effective and binding upon legislative enactment of the compact into law by no less than 35 states. The effective date shall be the later of July 1, 2007 or upon enactment of the compact into law by the 35th state. Thereafter it shall become effective and binding as to any other member state upon enactment of the compact into law by that state. The executive heads of the state human services administration with ultimate responsibility for the child welfare program of nonmember states or their designees shall be invited to participate in the activities of the Interstate Commission on a non-voting basis prior to adoption of the compact by all states.

C. The Interstate Commission may propose amendments to the compact for enactment by the member states. No amendment shall become effective and binding on the member states unless and until it is enacted into law by unanimous consent of the member states.

ARTICLE XV. WITHDRAWAL AND DISSOLUTION

A. Withdrawal

1. Once effective, the compact shall continue in force and remain binding upon each and every member state; provided that a member state may withdraw from the compact specifically repealing the statute which enacted the compact into law.

2. Withdrawal from this compact shall be by the enactment of a statute repealing the same. The effective date of withdrawal shall be the effective date of the repeal of the statute.

3. The withdrawing state shall immediately notify the president of the Interstate Commission in writing upon the introduction of legislation repealing this compact in the withdrawing state. The Interstate Commission shall then notify the other member states of the withdrawing state's intent to withdraw.

4. The withdrawing state is responsible for all assessments, obligations, and liabilities incurred through the effective date of withdrawal.

5. Reinstatement following withdrawal of a member state shall occur upon the withdrawing state reenacting the compact or upon such later date as determined by the members of the Interstate Commission.

B. Dissolution of Compact

1. This compact shall dissolve effective upon the date of the withdrawal or default of the member state which reduces the membership in the compact to one member state.

2. Upon the dissolution of this compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the Interstate Commission shall be concluded and surplus funds shall be distributed in accordance with the bylaws.

ARTICLE XVI. SEVERABILITY AND CONSTRUCTION

A. The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

B. The provisions of this compact shall be liberally construed to effectuate its purposes.

C. Nothing in this compact shall be construed to prohibit the concurrent applicability of other interstate compacts to which the states are members.

ARTICLE XVII. BINDING EFFECT OF COMPACT

AND OTHER LAWS

A. Other Laws

1. Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with this compact.

B. Binding Effect of the Compact

1. All lawful actions of the Interstate Commission, including all rules and bylaws promulgated by the Interstate Commission, are binding upon the member states.

2. All agreements between the Interstate Commission and the member states are binding in accordance with their terms.

3. In the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any member state, such provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

ARTICLE XVIII. INDIAN TRIBES

Notwithstanding any other provision in this compact, the Interstate Commission may promulgate guidelines to permit Indian tribes to utilize the compact to achieve any or all of the purposes of the compact as specified in Article I. The Interstate Commission shall make reasonable efforts to consult with Indian tribes in promulgating guidelines to reflect the diverse circumstances of the various Indian tribes.

EFFECTIVE DATE. This section is effective upon legislative enactment of the compact into law by no less than 35 states. The commissioner of human services shall inform the Revisor of Statutes when this occurs.

Sec. 24. Minnesota Statutes 2006, section 260C.001, subdivision 2, is amended to read:

Subd. 2. **Child in need of protection services.** (a) The paramount consideration in all proceedings concerning a child alleged or found to be in need of protection or services is the health, safety, and best interests of the child. In proceedings involving an American Indian child, as defined in section 260.755, subdivision 8, the best interests of the child must be determined consistent with sections 260.751 to 260.835 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923.

(b) The purpose of the laws relating to juvenile courts is:

(1) to secure for each child alleged or adjudicated in need of protection or services and under

the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will best serve the spiritual, emotional, mental, and physical welfare of the child;

(2) to provide judicial procedures which protect the welfare of the child;

(3) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal;

(4) to ensure that when removal from the child's own family is necessary and in the child's best interests, the responsible social services agency has legal responsibility for the child removal either:

(i) pursuant to a voluntary placement agreement between the child's parent or guardian and the responsible social services agency; or

(ii) by court order pursuant to section 260C.151, subdivision 6; 206C.178; or 260C.201;

(5) to ensure that, when placement is pursuant to court order, the court order removing the child or continuing the child in foster care contains an individualized determination that placement is in the best interests of the child that coincides with the actual removal of the child; and, ~~when removal from the child's own family is necessary and in the child's best interests,~~

(6) to ~~secure for~~ ensure that when the child is removed, the ~~child custody,~~ child's care and discipline is, as nearly as possible, equivalent to that which should have been given by the parents, and is either in:

(i) the home of a noncustodial parent pursuant to section 260C.178 or 260C.201, subdivision 1, paragraph (a), clause (1);

(ii) the home of a relative pursuant to emergency placement by the responsible social services agency under chapter 245A; or

(iii) a foster home licensed under chapter 245A.

Sec. 25. Minnesota Statutes 2006, section 260C.007, subdivision 5, is amended to read:

Subd. 5. **Child abuse.** "Child abuse" means an act that involves a minor victim ~~and~~ that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.2242, 609.322, 609.324, 609.342, 609.343, 609.344, 609.345, 609.377, 609.378, 617.246, or that is physical or sexual abuse as defined in section 626.556, subdivision 2, or an act committed in another state that involves a minor victim and would constitute a violation of one of these sections if committed in this state.

Sec. 26. Minnesota Statutes 2006, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 626.556, subdivision 2, (ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 5 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5, or (iv)

is a victim of emotional maltreatment as defined in subdivision 8;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care, ~~including a child in voluntary placement due solely to the child's developmental disability or emotional disturbance;~~

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from a disabled infant with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or physicians' reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child in placement according to who entered foster care under a voluntary release by placement agreement between the parent and the responsible social services agency under section 260C.212, subdivision 8;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;

(11) has engaged in prostitution as defined in section 609.321, subdivision 9;

(12) has committed a delinquent act or a juvenile petty offense before becoming ten years old;

(13) is a runaway;

(14) is a habitual truant; or

(15) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense.

Sec. 27. Minnesota Statutes 2006, section 260C.007, subdivision 13, is amended to read:

Subd. 13. **Domestic child abuse.** "Domestic child abuse" means:

(1) any physical injury to a minor family or household member inflicted by an adult family or household member other than by accidental means; ~~or~~

(2) subjection of a minor family or household member by an adult family or household member to any act which constitutes a violation of sections 609.321 to 609.324, 609.342, 609.343, 609.344, 609.345, or 617.246; or

(3) physical or sexual abuse as defined in section 626.556, subdivision 2.

Sec. 28. Minnesota Statutes 2006, section 260C.101, subdivision 2, is amended to read:

Subd. 2. **Jurisdiction over other matters relating to children.** Except as provided in clause (d), the juvenile court has original and exclusive jurisdiction in proceedings concerning:

(a) The termination of parental rights to a child in accordance with the provisions of sections 260C.301 to 260C.328.

(b) The appointment and removal of a juvenile court guardian for a child, where parental rights have been terminated under the provisions of sections 260C.301 to 260C.328.

(c) Judicial consent to the marriage of a child when required by law.

(d) The juvenile court in those counties in which the judge of the probate-juvenile court has been admitted to the practice of law in this state shall proceed under the laws relating to adoptions in all adoption matters. In those counties in which the judge of the probate-juvenile court has not been admitted to the practice of law in this state the district court shall proceed under the laws relating to adoptions in all adoption matters.

(e) The review of the foster care status placement of a child who has been placed in a residential facility, as defined in section 260C.212, subdivision 1, foster care pursuant to a voluntary release by placement agreement between the child's parent or parents and the responsible social services agency under section 260C.212, subdivision 8.

(f) The review of voluntary foster care placement of a child for treatment under chapter 260D according to the review requirements of that chapter.

Sec. 29. Minnesota Statutes 2006, section 260C.141, subdivision 2, is amended to read:

Subd. 2. **Review of foster care status.** ~~Except for a child in foster care due solely to the child's developmental disability or emotional disturbance,~~ When a child continues in voluntary placement foster care according to section 260C.212, subdivision 8, a petition shall be filed alleging the child to be in need of protection or services or seeking termination of parental rights or other permanent

placement of the child away from the parent within 90 days of the date of the voluntary placement agreement. The petition shall state the reasons why the child is in ~~placement~~ foster care, the progress on the out-of-home placement plan required under section 260C.212, subdivision 1, and the statutory basis for the petition under section 260C.007, subdivision 6, 260C.201, subdivision 11, or 260C.301.

(1) In the case of a petition alleging the child to be in need of protection or services filed under this paragraph, if all parties agree and the court finds it is in the best interests of the child, the court may find the petition states a prima facie case that:

- (i) the child's needs are being met;
- (ii) the placement of the child in foster care is in the best interests of the child;
- (iii) reasonable efforts to reunify the child and the parent or guardian are being made; and
- (iv) the child will be returned home in the next three months.

(2) If the court makes findings under paragraph (1), the court shall approve the voluntary arrangement and continue the matter for up to three more months to ensure the child returns to the parents' home. The responsible social services agency shall:

(i) report to the court when the child returns home and the progress made by the parent on the out-of-home placement plan required under section 260C.212, in which case the court shall dismiss jurisdiction;

(ii) report to the court that the child has not returned home, in which case the matter shall be returned to the court for further proceedings under section 260C.163; or

(iii) if any party does not agree to continue the matter under this paragraph and paragraph (1), the matter shall proceed under section 260C.163.

Sec. 30. Minnesota Statutes 2007 Supplement, section 260C.163, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) Except for hearings arising under section 260C.425, hearings on any matter shall be without a jury and may be conducted in an informal manner. In all adjudicatory proceedings involving a child alleged to be in need of protection or services, the court shall admit only evidence that would be admissible in a civil trial. To be proved at trial, allegations of a petition alleging a child to be in need of protection or services must be proved by clear and convincing evidence.

(b) Except for proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may be continued or adjourned from time to time. In proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may not be continued or adjourned for more than one week unless the court makes specific findings that the continuance or adjournment is in the best interests of the child. If a hearing is held on a petition involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the court shall file the decision with the court administrator as soon as possible but no later than 15 days after the matter is submitted to the court. When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance

with the provisions of sections 260C.001 to 260C.421.

~~(c) Except as otherwise provided in this paragraph, the court shall exclude the general public from hearings under this chapter and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court. Absent exceptional circumstances, hearings under this chapter are presumed to be accessible to the public, however the court may close any hearing and the records related to any matter as provided in the Minnesota Rules of Juvenile Protection Procedure.~~

(d) Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

(e) In any permanency hearing, including the transition of a child from foster care to independent living, the court shall ensure that any consult with the child is in an age-appropriate manner.

Sec. 31. Minnesota Statutes 2006, section 260C.171, subdivision 2, is amended to read:

Subd. 2. **Public inspection of records.** ~~(a) The following records from proceedings or portions of proceedings involving a child in need of protection or services that, permanency, or termination of parental rights are open accessible to the public as authorized by Supreme Court order and court rules are accessible to the public unless the court determines that access should be restricted because of the intensely personal nature of the information; the Minnesota Rules of Juvenile Protection Procedure.~~

~~(1) the summons and petition;~~

~~(2) affidavits of publication and service;~~

~~(3) certificates of representation;~~

~~(4) court orders;~~

~~(5) hearing and trial notices, witness lists, and subpoenas;~~

~~(6) motions and legal memoranda;~~

~~(7) exhibits introduced at hearings or trial that are not inaccessible under paragraph (b);~~

~~(8) birth records; and~~

~~(9) all other documents not listed as inaccessible to the public under paragraph (b).~~

~~(b) The following records are not accessible to the public under paragraph (a):~~

~~(1) written, audiotaped, or videotaped information from the social services agency, except to the extent the information appears in the petition, court orders, or other documents that are accessible under paragraph (a);~~

~~(2) child protection intake or screening notes;~~

~~(3) documents identifying reporters of maltreatment, unless the names and other identifying information are redacted;~~

~~(4) guardian ad litem reports;~~

- ~~(5) victim statements and addresses and telephone numbers;~~
- ~~(6) documents identifying nonparty witnesses under the age of 18, unless the names and other identifying information are redacted;~~
- ~~(7) transcripts of testimony taken during closed hearing;~~
- ~~(8) fingerprinting materials;~~
- ~~(9) psychological, psychiatric, and chemical dependency evaluations;~~
- ~~(10) presentence evaluations of juveniles and probation reports;~~
- ~~(11) medical records and test results;~~
- ~~(12) reports issued by sexual predator programs;~~
- ~~(13) diversion records of juveniles;~~
- ~~(14) any document which the court, upon its own motion or upon motion of a party, orders inaccessible to serve the best interests of the child; and~~
- ~~(15) any other records that are not accessible to the public under rules developed by the courts.~~

~~In addition, records that are accessible to the public under paragraph (a) become inaccessible to the public if one year has elapsed since either the proceeding was dismissed or the court's jurisdiction over the matter was terminated.~~

~~(c) Except as otherwise provided by this section, none of the records of the juvenile court and (b) None of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed except by order of a court.~~

~~(d) (c) The records of juvenile probation officers are records of the court for the purposes of this subdivision. This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.~~

~~(e) When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the Department of Public Safety and must contain the information required under section 169.95.~~

Sec. 32. Minnesota Statutes 2006, section 260C.178, subdivision 1, is amended to read:

Subdivision 1. **Hearing and release requirements.** (a) If a child was taken into custody under section 260C.175, subdivision 1, clause (a) or (b)(2), the court shall hold a hearing within 72 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine

whether the child should continue in custody.

(b) Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260C.157, subdivision 1.

(c) If the court determines there is reason to believe that the child would endanger self or others; not return for a court hearing; run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released; or that the child's health or welfare would be immediately endangered if returned to the care of the parent or guardian who has custody and from whom the child was removed, the court shall order the child into foster care under the legal responsibility of the responsible social services agency or responsible probation or corrections agency for the purposes of protective care as that term is used in the juvenile court rules. or into the home of a noncustodial parent and order the noncustodial parent to comply with any conditions the court determines to be appropriate to the safety and care of the child, including cooperating with paternity establishment proceedings in the case of a man who has not been adjudicated the child's father. The court shall not give the responsible social services legal custody and order a trial home visit at any time prior to adjudication and disposition under section 260C.201, subdivision 1, paragraph (a), clause (3), but may order the child returned to the care of the parent or guardian who has custody and from whom the child was removed and order the parent or guardian to comply with any conditions the court determines to be appropriate to meet the safety, health, and welfare of the child.

(d) In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse.

~~(e)~~ (e) The court, before determining whether a child should be placed in or continue in foster care under the protective care of the responsible agency, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts were made to prevent placement or whether reasonable efforts to prevent placement are not required. In the case of an Indian child, the court shall determine whether active efforts, according to the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement. The court shall enter a finding that the responsible social services agency has made reasonable efforts to prevent placement when the agency establishes either:

(1) that it has actually provided services or made efforts in an attempt to prevent the child's removal but that such services or efforts have not proven sufficient to permit the child to safely remain in the home; or

(2) that there are no services or other efforts that could be made at the time of the hearing that could safely permit the child to remain home or to return home. When reasonable efforts to prevent placement are required and there are services or other efforts that could be ordered which would permit the child to safely return home, the court shall order the child returned to the care of the parent or guardian and the services or efforts put in place to ensure the child's safety. When the court makes a prima facie determination that one of the circumstances under paragraph ~~(e)~~ (g) exists, the

court shall determine that reasonable efforts to prevent placement and to return the child to the care of the parent or guardian are not required.

If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

~~(d)~~ (f) The court may not order or continue the foster care placement of the child unless the court makes explicit, individualized findings that continued custody of the child by the parent or guardian would be contrary to the welfare of the child and that placement is in the best interest of the child.

~~(e)~~ (g) At the emergency removal hearing, or at any time during the course of the proceeding, and upon notice and request of the county attorney, the court shall determine whether a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;

(2) the parental rights of the parent to another child have been involuntarily terminated;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parents' custodial rights to another child have been involuntarily transferred to a relative under section 260C.201, subdivision 11, paragraph (e), clause (1), or a similar law of another jurisdiction; or

(5) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable.

~~(f)~~ (h) When a petition to terminate parental rights is required under section 260C.301, subdivision 3 or 4, but the county attorney has determined not to proceed with a termination of parental rights petition, and has instead filed a petition to transfer permanent legal and physical custody to a relative under section 260C.201, subdivision 11, the court shall schedule a permanency hearing within 30 days of the filing of the petition.

~~(g)~~ (i) If the county attorney has filed a petition under section 260C.307, the court shall schedule a trial under section 260C.163 within 90 days of the filing of the petition except when the county attorney determines that the criminal case shall proceed to trial first under section 260C.201, subdivision 3.

~~(h)~~ (j) If the court determines the child should be ordered into foster care and the child's parent refuses to give information to the responsible social services agency regarding the child's father or relatives of the child, the court may order the parent to disclose the names, addresses, telephone numbers, and other identifying information to the responsible social services agency for the purpose of complying with the requirements of sections 260C.151, 260C.212, and 260C.215.

~~(i)~~ (k) If a child ordered into foster care has siblings, whether full, half, or step, who are also ordered into foster care, the court shall inquire of the responsible social services agency of the efforts to place the children together as required by section 260C.212, subdivision 2, paragraph (d), if placement together is in each child's best interests, unless a child is in placement due solely to the

child's own behavior or a child is placed with a previously noncustodial parent who is not parent to all siblings. If the children are not placed together at the time of the hearing, the court shall inquire at each subsequent hearing of the agency's efforts to place the siblings together. If any sibling is not placed with another sibling or siblings, the agency must develop a plan for visitation among the siblings as required under section 260C.212, subdivision 1.

Sec. 33. Minnesota Statutes 2006, section 260C.205, is amended to read:

260C.205 DISPOSITIONS; VOLUNTARY FOSTER CARE PLACEMENTS FOR TREATMENT.

~~Unless the court disposes of the petition under section 260C.141, subdivision 2,~~ Upon a petition ~~for review of the foster care status of a~~ by a parent or guardian under section 260C.141, subdivision 1, regarding a child in voluntary foster care for treatment under chapter 260D, the court may:

~~(a) find that the child's needs are not being met, in which case the court shall order the social services agency or the parents to take whatever action is necessary and feasible to meet the child's needs, including, when appropriate, the provision by the social services agency of services to the parents which would enable the child to live at home, and order a disposition under section 260C.201.~~

~~(b) Find that the child has been abandoned by parents financially or emotionally, or that the developmentally disabled child does not require out-of-home care because of the disabling condition, in which case the court shall order the social services agency to file an appropriate petition pursuant to section 260C.141, subdivision 1, or 260C.307.~~

~~(c) When a child is in placement due solely to the child's developmental disability or emotional disturbance and the court finds that there are compelling reasons which permit the court to approve the continued voluntary placement of the child and retain jurisdiction to conduct reviews as required under section 260C.141, subdivision 2, the court shall give the parent notice by registered United States mail of the review requirements of section 260C.141, subdivision 2, in the event the child continues in placement 12 months or longer.~~

~~Nothing in this section shall be construed to prohibit bringing a petition pursuant to section 260C.141, subdivision 1 or 4, sooner than required by court order pursuant to this section.~~

Sec. 34. Minnesota Statutes 2007 Supplement, section 260C.209, subdivision 1, is amended to read:

Subdivision 1. **Subjects.** The responsible social services agency ~~must initiate a background study to be completed by the commissioner under chapter 245C~~ may have access to the criminal history and history of child and adult maltreatment on the following individuals:

(1) a noncustodial parent or nonadjudicated parent who is being assessed for purposes of providing day-to-day care of a child temporarily or permanently under section 260C.212, subdivision 4, and any member of the parent's household who is over the age of 13 when there is a reasonable cause to believe that the parent or household member over age 13 has a criminal history or a history of maltreatment of a child or vulnerable adult which would endanger the child's health, safety, or welfare;

(2) an individual whose suitability for relative placement under section 260C.212, subdivision

5, is being determined and any member of the relative's household who is over the age of 13 when:

(i) the relative must be licensed for foster care; or

(ii) the background study is required under section 259.53, subdivision 2; or

(iii) the agency or the commissioner has reasonable cause to believe the relative or household member over the age of 13 has a criminal history which would not make transfer of permanent legal and physical custody to the relative under section 260C.201, subdivision 11, in the child's best interest; and

(3) a parent, following an out-of-home placement, when the responsible social services agency has reasonable cause to believe that the parent has been convicted of a crime directly related to the parent's capacity to maintain the child's health, safety, or welfare or the parent is the subject of an open investigation of, or has been the subject of a substantiated allegation of, child or vulnerable-adult maltreatment within the past ten years.

"Reasonable cause" means that the agency has received information or a report from the subject or a third person that creates an articulable suspicion that the individual has a history that may pose a risk to the health, safety, or welfare of the child. The information or report must be specific to the potential subject of the background check and shall not be based on the race, religion, ethnic background, age, class, or lifestyle of the potential subject.

Sec. 35. Minnesota Statutes 2007 Supplement, section 260C.209, subdivision 2, is amended to read:

Subd. 2. **General procedures.** (a) When ~~initiating a background check~~ accessing information under subdivision 1, the agency shall require the individual being assessed to provide sufficient information to ensure an accurate assessment under this section, including:

(1) the individual's first, middle, and last name and all other names by which the individual has been known;

(2) home address, zip code, city, county, and state of residence for the past five years;

(3) sex;

(4) date of birth; and

(5) driver's license number or state identification number.

(b) When notified by the ~~commissioner or the~~ responsible social services agency that it is ~~conducting an assessment under this section~~ accessing information under subdivision 1, the Bureau of Criminal Apprehension, commissioners of health and human services, law enforcement, and county agencies must provide ~~the commissioner or the~~ responsible social services agency or county attorney with the following information on the individual being assessed: criminal history data, local law enforcement data about the household, reports about the maltreatment of adults substantiated under section 626.557, and reports of maltreatment of minors substantiated under section 626.556.

Sec. 36. Minnesota Statutes 2007 Supplement, section 260C.209, is amended by adding a subdivision to read:

Subd. 5. **Assessment for emergency relative placement.** The responsible social services agency may obtain household members' criminal history and the history of maltreatment of a child or adult and use the history to assess whether putting the child in the household would endanger the child's health, safety, or welfare and to assess the suitability of a relative prior to an emergency placement. This assessment does not substitute for the background study required under chapter 245C and does not supersede requirements related to emergency placement under section 245A.035.

Sec. 37. Minnesota Statutes 2007 Supplement, section 260C.212, subdivision 1, is amended to read:

Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan shall be prepared within 30 days after any child is placed in a residential facility foster care by court order or by the a voluntary release of the child by placement agreement between the responsible social services agency and the child's parent or parents pursuant to subdivision 8 or chapter 260D.

~~For purposes of this section, a residential facility means any group home, family foster home or other publicly supported out-of-home residential facility, including any out-of-home residential facility under contract with the state, county or other political subdivision, or any agency thereof, to provide those services or foster care as defined in section 260C.007, subdivision 18.~~

(b) An out-of-home placement plan means a written document which is prepared by the responsible social services agency jointly with the parent or parents or guardian of the child and in consultation with the child's guardian ad litem, the child's tribe, if the child is an Indian child, the child's foster parent or representative of the residential facility, and, where appropriate, the child. ~~For a child in placement due solely or in part to the child's emotional disturbance~~ voluntary foster care for treatment under chapter 260D, preparation of the out-of-home placement plan shall additionally include the child's mental health treatment provider. As appropriate, the plan shall be:

(1) submitted to the court for approval under section 260C.178, subdivision 7;

(2) ordered by the court, either as presented or modified after hearing, under section 260C.178, subdivision 7, or 260C.201, subdivision 6; and

(3) signed by the parent or parents or guardian of the child, the child's guardian ad litem, a representative of the child's tribe, the responsible social services agency, and, if possible, the child.

(c) The out-of-home placement plan shall be explained to all persons involved in its implementation, including the child who has signed the plan, and shall set forth:

(1) a description of the residential facility including how the out-of-home placement plan is designed to achieve a safe placement for the child in the least restrictive, most family-like, setting available which is in close proximity to the home of the parent or parents or guardian of the child when the case plan goal is reunification, and how the placement is consistent with the best interests and special needs of the child according to the factors under subdivision 2, paragraph (b);

(2) the specific reasons for the placement of the child in a residential facility, and when reunification is the plan, a description of the problems or conditions in the home of the parent or parents which necessitated removal of the child from home and the changes the parent or parents must make in order for the child to safely return home;

(3) a description of the services offered and provided to prevent removal of the child from the home and to reunify the family including:

(i) the specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (2), and the time period during which the actions are to be taken; and

(ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made to achieve a safe and stable home for the child including social and other supportive services to be provided or offered to the parent or parents or guardian of the child, the child, and the residential facility during the period the child is in the residential facility;

(4) a description of any services or resources that were requested by the child or the child's parent, guardian, foster parent, or custodian since the date of the child's placement in the residential facility, and whether those services or resources were provided and if not, the basis for the denial of the services or resources;

(5) the visitation plan for the parent or parents or guardian, other relatives as defined in section 260C.007, subdivision 27, and siblings of the child if the siblings are not placed together in ~~the residential facility~~ foster care, and whether visitation is consistent with the best interest of the child, during the period the child is in ~~the residential facility~~ foster care;

(6) documentation of steps to finalize the adoption or legal guardianship of the child if the court has issued an order terminating the rights of both parents of the child or of the only known, living parent of the child. At a minimum, the documentation must include child-specific recruitment efforts such as relative search and the use of state, regional, and national adoption exchanges to facilitate orderly and timely placements in and outside of the state. A copy of this documentation shall be provided to the court in the review required under section 260C.317, subdivision 3, paragraph (b);

(7) the health and educational records of the child including the most recent information available regarding:

(i) the names and addresses of the child's health and educational providers;

(ii) the child's grade level performance;

(iii) the child's school record;

(iv) assurances that the child's placement in foster care takes into account proximity to the school in which the child is enrolled at the time of placement;

(v) a record of the child's immunizations;

(vi) the child's known medical problems, including any known communicable diseases, as defined in section 144.4172, subdivision 2;

(vii) the child's medications; and

(viii) any other relevant health and education information;

(8) an independent living plan for a child age 16 or older who is in placement as a result of a permanency disposition. The plan should include, but not be limited to, the following objectives:

- (i) educational, vocational, or employment planning;
 - (ii) health care planning and medical coverage;
 - (iii) transportation including, where appropriate, assisting the child in obtaining a driver's license;
 - (iv) money management;
 - (v) planning for housing;
 - (vi) social and recreational skills; and
 - (vii) establishing and maintaining connections with the child's family and community; and
- (9) for a child in ~~placement due solely or in part to the child's emotional disturbance~~ voluntary foster care for treatment under chapter 260D, diagnostic and assessment information, specific services relating to meeting the mental health care needs of the child, and treatment outcomes.

(d) The parent or parents or guardian and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social services agency in preparation of the case plan.

After the plan has been agreed upon by the parties involved or approved or ordered by the court, the foster parents shall be fully informed of the provisions of the case plan and shall be provided a copy of the plan.

Upon discharge from foster care, the parent, adoptive parent, or permanent legal and physical custodian, as appropriate, and the child, if appropriate, must be provided with a current copy of the child's health and education record.

Sec. 38. Minnesota Statutes 2007 Supplement, section 260C.212, subdivision 4, is amended to read:

Subd. 4. **Responsible social service agency's duties for children in placement.** (a) When a child is in ~~placement~~ foster care, the responsible social services agency shall make diligent efforts to identify, locate, and, where appropriate, offer services to both parents of the child.

(1) The responsible social services agency shall assess whether a noncustodial or nonadjudicated parent is willing and capable of providing for the day-to-day care of the child temporarily or permanently. An assessment under this clause may include, but is not limited to, obtaining information under section 260C.209. If after assessment, the responsible social services agency determines that a noncustodial or nonadjudicated parent is willing and capable of providing day-to-day care of the child, the responsible social services agency may seek authority from the custodial parent or the court to have that parent assume day-to-day care of the child. If a parent is not an adjudicated parent, the responsible social services agency shall require the nonadjudicated parent to cooperate with paternity establishment procedures as part of the case plan.

(2) If, after assessment, the responsible social services agency determines that the child cannot

be in the day-to-day care of either parent, the agency shall:

(i) prepare an out-of-home placement plan addressing the conditions that each parent must meet before the child can be in that parent's day-to-day care; and

(ii) provide a parent who is the subject of a background study under section 260C.209 15 days' notice that it intends to use the study to recommend against putting the child with that parent, as well as the notice provided in section 260C.209, subdivision 4, and the court shall afford the parent an opportunity to be heard concerning the study.

The results of a background study of a noncustodial parent shall not be used by the agency to determine that the parent is incapable of providing day-to-day care of the child unless the agency reasonably believes that placement of the child into the home of that parent would endanger the child's health, safety, or welfare.

(3) If, after the provision of services following an out-of-home placement plan under this section, the child cannot return to the care of the parent from whom the child was removed or who had legal custody at the time the child was placed in foster care, the agency may petition on behalf of a noncustodial parent to establish legal custody with that parent under section 260C.201, subdivision 11. If paternity has not already been established, it may be established in the same proceeding in the manner provided for under chapter 257.

(4) The responsible social services agency may be relieved of the requirement to locate and offer services to both parents by the juvenile court upon a finding of good cause after the filing of a petition under section 260C.141.

(b) The responsible social services agency shall give notice to the parent ~~or parents~~ or guardian of each child in a residential facility foster care, other than a child in ~~placement due solely to that child's developmental disability or emotional disturbance~~ voluntary foster care for treatment under chapter 260D, of the following information:

(1) that ~~residential care of the child~~ child's placement in foster care may result in termination of parental rights or an order permanently placing the child out of the custody of the parent, but only after notice and a hearing as required under chapter 260C and the juvenile court rules;

(2) time limits on the length of placement and of reunification services, including the date on which the child is expected to be returned to and safely maintained in the home of the parent or parents or placed for adoption or otherwise permanently removed from the care of the parent by court order;

(3) the nature of the services available to the parent;

(4) the consequences to the parent and the child if the parent fails or is unable to use services to correct the circumstances that led to the child's placement;

(5) the first consideration for placement with relatives;

(6) the benefit to the child in getting the child out of ~~residential~~ foster care as soon as possible, preferably by returning the child home, but if that is not possible, through a permanent legal placement of the child away from the parent;

(7) when safe for the child, the benefits to the child and the parent of maintaining visitation with

the child as soon as possible in the course of the case and, in any event, according to the visitation plan under this section; and

(8) the financial responsibilities and obligations, if any, of the parent or parents for the support of the child during the period the child is in ~~the residential facility~~ foster care.

(c) The responsible social services agency shall inform a parent considering voluntary placement of a child ~~who is not developmentally disabled or emotionally disturbed~~ under subdivision 8, of the following information:

(1) the parent and the child each has a right to separate legal counsel before signing a voluntary placement agreement, but not to counsel appointed at public expense;

(2) the parent is not required to agree to the voluntary placement, and a parent who enters a voluntary placement agreement may at any time request that the agency return the child. If the parent so requests, the child must be returned within 24 hours of the receipt of the request;

(3) evidence gathered during the time the child is voluntarily placed may be used at a later time as the basis for a petition alleging that the child is in need of protection or services or as the basis for a petition seeking termination of parental rights or other permanent placement of the child away from the parent;

(4) if the responsible social services agency files a petition alleging that the child is in need of protection or services or a petition seeking the termination of parental rights or other permanent placement of the child away from the parent, the parent would have the right to appointment of separate legal counsel and the child would have a right to the appointment of counsel and a guardian ad litem as provided by law, and that counsel will be appointed at public expense if they are unable to afford counsel; and

(5) the timelines and procedures for review of voluntary placements under subdivision 3, and the effect the time spent in voluntary placement on the scheduling of a permanent placement determination hearing under section 260C.201, subdivision 11.

(d) When an agency accepts a child for placement, the agency shall determine whether the child has had a physical examination by or under the direction of a licensed physician within the 12 months immediately preceding the date when the child came into the agency's care. If there is documentation that the child has had an examination within the last 12 months, the agency is responsible for seeing that the child has another physical examination within one year of the documented examination and annually in subsequent years. If the agency determines that the child has not had a physical examination within the 12 months immediately preceding placement, the agency shall ensure that the child has an examination within 30 days of coming into the agency's care and once a year in subsequent years.

(e) Whether under state guardianship or not, if a child leaves foster care by reason of having attained the age of majority under state law, the child must be given at no cost a copy of the child's ~~health~~ social and medical history, as defined in section 259.43, and education report.

Sec. 39. Minnesota Statutes 2006, section 260C.212, is amended by adding a subdivision to read:

Subd. 4a. **Monthly caseworker visits with children in foster care.** (a) Every child in foster care or on a trial home visit shall be visited by the child's caseworker on a monthly basis, with the

majority of visits occurring in the child's residence. For the purposes of this section, the following definitions apply:

- (1) "visit" is defined as a face-to-face contact between a child and the child's caseworker;
- (2) "visited on a monthly basis" is defined as at least one visit per calendar month;
- (3) "the child's caseworker" is defined as the person who has responsibility for managing the child's foster care placement case as assigned by the responsible social service agency; and
- (4) "the child's residence" is defined as the home where the child is residing, and can include the foster home, child care institution, or the home from which the child was removed if the child is on a trial home visit.

(b) Caseworker visits shall be of sufficient substance and duration to address issues pertinent to case planning and service delivery to ensure the safety, permanency, and well-being of the child.

Sec. 40. Minnesota Statutes 2006, section 260C.212, subdivision 7, is amended to read:

Subd. 7. **Administrative or court review of placements.** (a) There shall be an administrative review of the out-of-home placement plan of each child placed in ~~a residential facility~~ foster care no later than 180 days after the initial placement of the child in ~~a residential facility~~ foster care and at least every six months thereafter if the child is not returned to the home of the parent or parents within that time. The out-of-home placement plan must be monitored and updated at each administrative review. The administrative review shall be conducted by the responsible social services agency using a panel of appropriate persons at least one of whom is not responsible for the case management of, or the delivery of services to, either the child or the parents who are the subject of the review. The administrative review shall be open to participation by the parent or guardian of the child and the child, as appropriate.

(b) As an alternative to the administrative review required in paragraph (a), the social services agency responsible for the placement may bring a petition as provided in section 260C.141, subdivision 2, to the court for review of the foster care to determine if placement is in the best interests of the child. This petition must be brought to the court in order for a court determination to be made regarding the best interests of the child within the applicable six months and is not in lieu of the requirements contained in subdivision 3 or 4. may, as part of any hearing required under the Minnesota Rules of Juvenile Protection Procedure, conduct a hearing to monitor and update the out-of-home placement plan pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph (d). The party requesting review of the out-of-home placement plan shall give parties to the proceeding notice of the request to review and update the out-of-home placement plan. A court review conducted pursuant to section 260C.193; 260C.201, subdivision 1 or 11, or section; 260C.141, subdivision 2, or 2a, clause (2); or 260C.317 shall satisfy the requirement for an administrative the review so long as the other requirements of this section are met.

(b) (c) At the review required under paragraph (a), the reviewing administrative body As appropriate to the stage of the proceedings and relevant court orders, the responsible social services agency or the court shall review:

- (1) the safety, permanency needs, and well-being of the child;
- (2) the continuing necessity for and appropriateness of the placement;

- (3) the extent of compliance with the out-of-home placement plan;
- (4) ~~where appropriate~~, the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in a ~~residential facility~~ foster care;
- (5) ~~where appropriate~~, the projected date by which the child may be returned to and safely maintained in the home or placed permanently away from the care of the parent or parents or guardian; and
- (6) the appropriateness of the services provided to the child.

(d) When a child is age 16 or older, in addition to any administrative review conducted by the agency, at the review required under section 260C.201, subdivision 11, paragraph (d), clause (3), item (iii); or 260C.317, subdivision 3, clause (3), the court shall review the independent living plan required under subdivision 1, paragraph (c), clause (8), and the provision of services to the child related to the well-being of the child as the child prepares to leave foster care. The review shall include the actual plans related to each item in the plan necessary to the child's future safety and well-being when the child is no longer in foster care.

(1) At the court review, the responsible social services agency shall establish that it has given the notice required under Minnesota Rules, part 9560.0060, regarding the right to continued access to services for certain children in foster care past age 18 and of the right to appeal a denial of social services under section 256.245. If the agency is unable to establish that the notice, including the right to appeal a denial of social services, has been given, the court shall require the agency to give it.

(2) The court shall make findings regarding progress toward or accomplishment of the following goals:

- (i) the child has obtained a high school diploma or its equivalent;
- (ii) the child has completed a driver's education course or has demonstrated the ability to use public transportation in the child's community;
- (iii) the child is employed or enrolled in postsecondary education;
- (iv) the child has applied for and obtained postsecondary education financial aid for which the child is eligible;
- (v) the child has health care coverage and health care providers to meet the child's physical and mental health needs;
- (vi) the child has applied for and obtained disability income assistance for which the child is eligible;
- (vii) the child has obtained affordable housing with necessary supports, which does not include a homeless shelter;
- (viii) the child has saved sufficient funds to pay for the first month's rent and a damage deposit;
- (ix) the child has an alternative affordable housing plan, which does not include a homeless shelter, if the original housing plan is unworkable;

(x) the child, if male, has registered for the Selective Service; and

(xi) the child has a permanent connection to a caring adult.

(3) The court shall ensure that the responsible agency in conjunction with the placement provider assists the child in obtaining the following documents prior to the child's leaving foster care: a Social Security card; the child's birth certificate; a state identification card or driver's license, green card, or school visa; the child's school, medical, and dental records; a contact list of the child's medical, dental, and mental health providers; and contact information for the child's siblings, if the siblings are in foster care.

Sec. 41. Minnesota Statutes 2006, section 260C.212, subdivision 8, is amended to read:

Subd. 8. **Review of Voluntary placements foster care; required court review.** ~~Except for a child in placement due solely to the child's developmental disability or emotional disturbance, if~~ When the responsible social services agency and the child's parent or guardian agree that the child's safety, health, and best interests require that the child be in foster care, the agency and the parent or guardian may enter into a voluntary agreement for the placement of the child in foster care. The voluntary agreement must be in writing and in a form approved by the commissioner. When the child has been placed in a residential facility foster care pursuant to a voluntary release by foster care agreement between the agency and the parent or parents, under this subdivision and the child is not returned home within 90 days after initial placement in the residential facility foster care, the social services agency responsible for the child's placement in foster care shall:

(1) return the child to the home of the parent or parents; or

(2) file a petition according to section 260C.141, subdivision 1 or 2, which may:

(i) ask the court to review the child's placement in foster care and approve it as continued voluntary foster care for up to an additional 90 days;

(ii) ask the court to order ~~continued out-of-home placement~~ foster care according to sections 260C.178 and 260C.201; or

(iii) ask the court to terminate parental rights under section 260C.301.

The out-of-home placement plan must be updated and filed along with the petition.

If the court approves ~~continued out-of-home placement~~ continuing the child in foster care for up to 90 more days on a voluntary basis, at the end of the court-approved 90-day period, the child must be returned to the parent's home. If the child is not returned home, the responsible social services agency must proceed on the petition filed alleging the child in need of protection or services or the petition for termination of parental rights or other permanent placement of the child away from the parent. The court must find a statutory basis to order the placement of the child under section 260C.178; 260C.201; or 260C.317.

Sec. 42. Minnesota Statutes 2006, section 260C.325, subdivision 1, is amended to read:

Subdivision 1. **Transfer of custody.** (a) If the court terminates parental rights of both parents or of the only known living parent, the court shall order the guardianship and the legal custody of the child transferred to:

- ~~(a)~~ (1) the commissioner of human services; or
- ~~(b)~~ (2) a licensed child-placing agency; or
- ~~(c)~~ (3) an individual who is willing and capable of assuming the appropriate duties and responsibilities to the child.

(b) The court shall order transfer of guardianship and legal custody of a child to the commissioner of human services only when the responsible county social services agency had legal responsibility for planning for the permanent placement of the child and the child was in foster care under the legal responsibility of the responsible county social services agency at the time the court orders guardianship and legal custody transferred to the commissioner.

Sec. 43. Minnesota Statutes 2006, section 260C.325, subdivision 3, is amended to read:

Subd. 3. **Both parents deceased.** (a) If upon petition to the juvenile court by a reputable person, including but not limited to an agent of the commissioner of human services, and upon hearing in the manner provided in section 260C.163, the court finds that both parents or the only known legal parent are or is deceased and no appointment has been made or petition for appointment filed pursuant to sections 524.5-201 to 524.5-317, the court shall order the guardianship and legal custody of the child transferred to:

- ~~(a)~~ (1) the commissioner of human services;
- ~~(b)~~ (2) a licensed child-placing agency; or
- ~~(c)~~ (3) an individual who is willing and capable of assuming the appropriate duties and responsibilities to the child.

(b) The court shall order transfer of guardianship and legal custody of a child to the commissioner of human services only if there is no individual who is willing and capable of assuming the appropriate duties and responsibilities to the child.

Sec. 44. **[260D.001] CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.**

(a) Sections 260D.001 to 260D.301, may be cited as the "child in voluntary foster care for treatment" provisions of the Juvenile Court Act.

(b) The juvenile court has original and exclusive jurisdiction over a child in voluntary foster care for treatment upon the filing of a report or petition required under this chapter. All obligations of the agency to a child and family in foster care contained in chapter 260C not inconsistent with this chapter are also obligations of the agency with regard to a child in foster care for treatment under this chapter.

(c) This chapter shall be construed consistently with the mission of the children's mental health service system as set out in section 245.487, subdivision 3, and the duties of an agency under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016, to meet the needs of a child with a developmental disability or related condition. This chapter:

(1) establishes voluntary foster care through a voluntary foster care agreement as the means for an agency and a parent to provide needed treatment when the child must be in foster care to receive necessary treatment for an emotional disturbance or developmental disability or related condition;

(2) establishes court review requirements for a child in voluntary foster care for treatment due to emotional disturbance or developmental disability or a related condition;

(3) establishes the ongoing responsibility of the parent as legal custodian to visit the child, to plan together with the agency for the child's treatment needs, to be available and accessible to the agency to make treatment decisions, and to obtain necessary medical, dental, and other care for the child; and

(4) applies to voluntary foster care when the child's parent and the agency agree that the child's treatment needs require foster care either:

(i) due to a level of care determination by the agency's screening team informed by the diagnostic and functional assessment under section 245.4885; or

(ii) due to a determination regarding the level of services needed by the responsible social services' screening team under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016.

(d) This chapter does not apply when there is a current determination under section 626.556 that the child requires child protective services or when the child is in foster care for any reason other than treatment for the child's emotional disturbance or developmental disability or related condition. When there is a determination under section 626.556 that the child requires child protective services based on an assessment that there are safety and risk issues for the child that have not been mitigated through the parent's engagement in services or otherwise, or when the child is in foster care for any reason other than the child's emotional disturbance or developmental disability or related condition, the provisions of chapter 260C apply.

(e) The paramount consideration in all proceedings concerning a child in voluntary foster care for treatment is the safety, health, and the best interests of the child. The purpose of this chapter is:

(1) to ensure a child with a disability is provided the services necessary to treat or ameliorate the symptoms of the child's disability;

(2) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, approving the child's placement away from the child's parents only when the child's need for care or treatment requires it and the child cannot be maintained in the home of the parent; and

(3) to ensure the child's parent retains legal custody of the child and associated decision-making authority unless the child's parent willfully fails or is unable to make decisions that meet the child's safety, health, and best interests. The court may not find that the parent willfully fails or is unable to make decisions that meet the child's needs solely because the parent disagrees with the agency's choice of foster care facility, unless the agency files a petition under chapter 260C, and establishes by clear and convincing evidence that the child is in need of protection or services.

(f) The legal parent-child relationship shall be supported under this chapter by maintaining the parent's legal authority and responsibility for ongoing planning for the child and by the agency's assisting the parent, where necessary, to exercise the parent's ongoing right and obligation to visit or to have reasonable contact with the child. Ongoing planning means:

(1) actively participating in the planning and provision of educational services, medical, and dental care for the child;

(2) actively planning and participating with the agency and the foster care facility for the child's treatment needs; and

(3) planning to meet the child's need for safety, stability, and permanency, and the child's need to stay connected to the child's family and community.

(g) The provisions of section 260.012 to ensure placement prevention, family reunification, and all active and reasonable effort requirements of that section apply. This chapter shall be construed consistently with the requirements of the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et. al., and the provisions of the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835.

Sec. 45. [260D.005] DEFINITIONS.

Subdivision 1. **Definitions.** The definitions in this section supplement the definitions in section 260C.007. The definitions in section 260C.007 apply to this chapter and have the same meaning for purposes of this chapter as for chapter 260C.

Subd. 2. **Agency.** "Agency" means the responsible social services agency or a licensed child-placing agency.

Subd. 3. **Case plan.** "Case plan" means any plan for the delivery of services to a child and parent, or when reunification is not required, the child alone, that is developed according to the requirements of sections 245.4871, subdivision 19 or 21; 245.492, subdivision 16; 256B.092; 260C.212, subdivision 1; 626.556, subdivision 10; and Minnesota Rules, parts 9525.0004 to 9525.0016.

Subd. 4. **Child.** "Child" means an individual under 18 years of age.

Subd. 5. **Child in voluntary foster care for treatment.** "Child in voluntary foster care for treatment" means a child who is emotionally disturbed or developmentally disabled or has a related condition and is in foster care under a voluntary foster care agreement between the child's parent and the agency due to concurrence between the agency and the parent that the child's level of care requires placement in foster care either:

(1) due to a determination by the agency's screening team based on its review of the diagnostic and functional assessment under section 245.4885; or

(2) due to a determination by the agency's screening team under section 256B.092 and Minnesota Rules, parts 9525.0004 to 9525.0016.

A child is not in voluntary foster care for treatment under this chapter when there is a current determination under section 626.556 that the child requires child protective services or when the child is in foster care for any reason other than the child's emotional or developmental disability or related condition.

Subd. 6. **Compelling reasons.** "Compelling reasons" has the same meaning given in section 260C.007, subdivision 8. The agency may determine compelling reasons when the child is in foster care for treatment and no grounds to terminate parental rights exist because the child must be in placement to access treatment, the child's individual treatment needs cannot be met in the child's home or through community-based care, and the parent continues to be responsible for planning

together with the agency for the child's needs and maintains appropriate contact with the child.

Subd. 7. **Court.** "Court" means juvenile court unless otherwise specified in this section.

Subd. 8. **Developmental disability.** "Developmental disability" means developmental disability as defined in United States Code, title 42, section 6001(8).

Subd. 9. **Emotionally disturbed or emotional disturbance.** "Emotionally disturbed" or "emotional disturbance" means emotional disturbance as described in section 245.4871, subdivision 15.

Subd. 10. **Foster care.** "Foster care" means 24-hour substitute care for children placed away from their parents and for whom an agency has placement and care responsibility. Foster care includes, but is not limited to, placement in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities not excluded in this subdivision, child care institutions, and preadoptive homes. A child is in foster care under this definition, regardless of whether the facility is licensed and payments are made for the cost of care. Nothing in this definition creates any authority to place a child in a home or facility that is required to be licensed that is not licensed. Foster care does not include placement in any of the following facilities: hospitals, inpatient chemical dependency treatment facilities, facilities that are primarily for delinquent children, any corrections facility or program within a particular corrections facility not meeting requirements for Title IV-E facilities as determined by the commissioner, facilities to which a child is committed under the provision of chapter 253B, forestry camps, or jails.

Subd. 11. **Legal authority to place the child.** "Legal authority to place the child" means the agency has legal responsibility for the care and control of the child while the child is in foster care. The agency may acquire legal authority to place a child through a voluntary placement agreement between the agency and the child's parent under this chapter. Legal authority to place the child does not mean the agency has authority to make major life decisions regarding the child, including major medical decisions. A parent with legal custody of the child continues to have legal authority to make major life decisions regarding the child, including major medical decisions.

Subd. 12. **Minor.** "Minor" means an individual under 18 years of age.

Subd. 13. **Parent.** "Parent" means the birth or adoptive parent of a minor. Parent also means the child's legal guardian or any individual who has legal authority to make decisions and plans for the child. For an Indian child, parent includes any Indian person who has adopted a child by tribal law or custom, as provided in section 260.755, subdivision 14.

Subd. 14. **Reasonable efforts to finalize a permanent plan for the child.** "Reasonable efforts to finalize a permanent plan for the child" has the same meaning under this chapter as provided in section 260.012, paragraph (e).

Sec. 46. **[260D.101] VOLUNTARY FOSTER CARE.**

Subdivision 1. **Voluntary foster care.** When the agency's screening team, based upon the diagnostic and functional assessment under section 245.4885 or 256B.092, subdivision 7, determines the child's need for treatment due to emotional disturbance or developmental disability or related condition requires foster care placement of the child, a voluntary foster care agreement between the child's parent and the agency gives the agency legal authority to place the child in foster care.

Subd. 2. **Voluntary foster care agreement.** A voluntary foster care agreement shall be used to provide the agency the legal authority to place a child in foster care for treatment due to the child's disability. The agreement must be in writing and signed by both the child's parent and the agency. The agreement must be in a form approved by the commissioner of human services, and shall contain notice to parents of the consequences to the parent and to the child of being in voluntary foster care.

Sec. 47. **[260D.102] REQUIRED INFORMATION FOR A CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.**

An agency with authority to place a child in voluntary foster care for treatment due to emotional disturbance or developmental disability or related condition, shall inform the child, age 12 or older, of the following:

(1) the child has the right to be consulted in the preparation of the out-of-home placement plan required under section 260C.212, subdivision 1, and the administrative review required under section 260C.212, subdivision 7;

(2) the child has the right to visit the parent and the right to visit the child's siblings as determined safe and appropriate by the parent and the agency;

(3) if the child disagrees with the foster care facility or services provided under the out-of-home placement plan required under section 260C.212, subdivision 1, the agency shall include information about the nature of the child's disagreement and, to the extent possible, the agency's understanding of the basis of the child's disagreement in the information provided to the court in the report required under section 260D.105; and

(4) the child has the rights established under Minnesota Rules, part 2960.0050, as a resident of a facility licensed by the state.

Sec. 48. **[260D.103] ADMINISTRATIVE REVIEW OF CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.**

The administrative reviews required under section 260C.212, subdivision 7, must be conducted for a child in voluntary foster care for treatment, except that the initial administrative review must take place prior to the submission of the report to the court required under section 260D.105, subdivision 2.

Sec. 49. **[260D.105] AGENCY REPORT TO THE COURT AND COURT REVIEW OF CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT DUE TO DISABILITY.**

Subdivision 1. **Judicial review.** In the case of a child in voluntary foster care for treatment due to disability under section 260D.101, the agency shall obtain judicial review of the child's voluntary foster care placement within 165 days of the placement.

Subd. 2. **Agency report to court; court review.** The agency shall obtain judicial review by reporting to the court according to the following procedures:

(a) A written report shall be forwarded to the court within 165 days of the date of the voluntary placement agreement. The written report shall contain or have attached:

(1) a statement of facts that necessitate the child's foster care placement;

- (2) the child's name, date of birth, race, gender, and current address;
- (3) the names, race, date of birth, residence, and post office addresses of the child's parents or legal custodian;
- (4) a statement regarding the child's eligibility for membership or enrollment in an Indian tribe and the agency's compliance with applicable provisions of sections 260.751 to 260.835;
- (5) the names and addresses of the foster parents or chief administrator of the facility in which the child is placed, if the child is not in a family foster home or group home;
- (6) a copy of the out-of-home placement plan required under section 260C.212, subdivision 1;
- (7) a written summary of the proceedings of any administrative review required under section 260C.212, subdivision 7; and
- (8) any other information the agency, parent or legal custodian, the child or the foster parent, or other residential facility wants the court to consider.
- (b) In the case of a child in placement due to emotional disturbance, the written report shall include as an attachment, the child's individual treatment plan developed by the child's treatment professional, as provided in section 245.4871, subdivision 21, or the child's individual interagency intervention plan, as provided in section 125A.023, subdivision 3, paragraph (c).
- (c) In the case of a child in placement due to developmental disability or a related condition, the written report shall include as an attachment, the child's individual service plan, as provided in section 256B.092, subdivision 1b; the child's individual program plan, as provided in Minnesota Rules, part 9525.0004, subpart 11; the child's waiver care plan; or the child's individual interagency intervention plan, as provided in section 125A.023, subdivision 3, paragraph (c).
- (d) The agency must inform the child, age 12 or older, the child's parent, and the foster parent or foster care facility of the reporting and court review requirements of this section and of their right to submit information to the court:
- (1) if the child or the child's parent or the foster care provider wants to send information to the court, the agency shall advise those persons of the reporting date and the date by which the agency must receive the information they want forwarded to the court so the agency is timely able submit it with the agency's report required under this subdivision;
- (2) the agency must also inform the child, age 12 or older, the child's parent, and the foster care facility that they have the right to be heard in person by the court and how to exercise that right;
- (3) the agency must also inform the child, age 12 or older, the child's parent, and the foster care provider that an in-court hearing will be held if requested by the child, the parent, or the foster care provider; and
- (4) if, at the time required for the report under this section, a child, age 12 or older, disagrees about the foster care facility or services provided under the out-of-home placement plan required under section 260C.212, subdivision 1, the agency shall include information regarding the child's disagreement, and to the extent possible, the basis for the child's disagreement in the report required under this section.

(e) After receiving the required report, the court has jurisdiction to make the following determinations and must do so within ten days of receiving the forwarded report, whether a hearing is requested:

(1) whether the voluntary foster care arrangement is in the child's best interests;

(2) whether the parent and agency are appropriately planning for the child; and

(3) in the case of a child age 12 or older, who disagrees with the foster care facility or services provided under the out-of-home placement plan, whether it is appropriate to appoint counsel and a guardian ad litem for the child using standards and procedures under section 260C.163.

(f) Unless requested by a parent, representative of the foster care facility, or the child, no in-court hearing is required in order for the court to make findings and issue an order as required in paragraph (e).

(g) If the court finds the voluntary foster care arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child, the court shall issue an order containing explicit, individualized findings to support its determination. The individualized findings shall be based on the agency's written report and other materials submitted to the court. The court may make this determination notwithstanding the child's disagreement, if any, reported under paragraph (d).

(h) The court shall send a copy of the order to the county attorney, the agency, parent, child, age 12 or older, and the foster parent or foster care facility.

(i) The court shall also send the parent, the child, age 12 or older, the foster parent, or representative of the foster care facility notice of the permanency review hearing required under section 260D.107, paragraph (e).

(j) If the court finds continuing the voluntary foster care arrangement is not in the child's best interests or that the agency or the parent are not appropriately planning for the child, the court shall notify the agency, the parent, the foster parent or foster care facility, the child, age 12 or older, and the county attorney of the court's determinations and the basis for the court's determinations. In this case, the court shall set the matter for hearing and appoint a guardian ad litem for the child under section 260C.163, subdivision 5.

Sec. 50. [260D.107] REQUIRED PERMANENCY REVIEW HEARING.

(a) When the court has found that the voluntary arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child pursuant to the report submitted under section 260D.105, and the child continues in voluntary foster care as defined in section 260D.005, subdivision 10, for 13 months from the date of the voluntary foster care agreement, or has been in placement for 15 of the last 22 months, the agency must:

(1) terminate the voluntary foster care agreement and return the child home; or

(2) determine whether there are compelling reasons to continue the voluntary foster care arrangement and, if the agency determines there are compelling reasons, seek judicial approval of its determination; or

(3) file a petition for the termination of parental rights.

(b) When the agency is asking for the court's approval of its determination that there are compelling reasons to continue the child in the voluntary foster care arrangement, the agency shall file a "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment" and ask the court to proceed under this section.

(c) The "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment" shall be drafted or approved by the county attorney and be under oath. The petition shall include:

(1) the date of the voluntary placement agreement;

(2) whether the petition is due to the child's developmental disability or emotional disturbance;

(3) the plan for the ongoing care of the child and the parent's participation in the plan;

(4) a description of the parent's visitation and contact with the child;

(5) the date of the court finding that the foster care placement was in the best interests of the child, if required under section 260D.105, or the date the agency filed the motion under section 260D.201, paragraph (b);

(6) the agency's reasonable efforts to finalize the permanent plan for the child, including returning the child to the care of the child's family; and

(7) a citation to this chapter as the basis for the petition.

(d) An updated copy of the out-of-home placement plan required under section 260C.212, subdivision 1, shall be filed with the petition.

(e) The court shall set the date for the permanency review hearing no later than 14 months after the child has been in placement or within 30 days of the petition filing date when the child has been in placement 15 of the last 22 months. The court shall serve the petition together with a notice of hearing by United States mail on the parent, the child age 12 or older, the child's guardian ad litem, if one has been appointed, the agency, the county attorney, and counsel for any party.

(f) The court shall conduct the permanency review hearing on the petition no later than 14 months after the date of the voluntary placement agreement, within 30 days of the filing of the petition when the child has been in placement 15 days of the last 22 months, or within 15 days of a motion to terminate jurisdiction and to dismiss an order for foster care under chapter 260C, as provided in section 260D.201, paragraph (b).

(g) At the permanency review hearing, the court shall:

(1) inquire of the parent if the parent has reviewed the "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment," whether the petition is accurate, and whether the parent agrees to the continued voluntary foster care arrangement as being in the child's best interests;

(2) inquire of the parent if the parent is satisfied with the agency's reasonable efforts to finalize the permanent plan for the child, including whether there are services available and accessible to the parent that might allow the child to safely be with the child's family;

(3) inquire of the parent if the parent consents to the court entering an order that:

(i) approves the responsible agency's reasonable efforts to finalize the permanent plan for the child, which includes ongoing future planning for the safety, health, and best interests of the child; and

(ii) approves the responsible agency's determination that there are compelling reasons why the continued voluntary foster care arrangement is in the child's best interests; and

(4) inquire of the child's guardian ad litem and any other party whether the guardian or the party agrees that:

(i) the court should approve the responsible agency's reasonable efforts to finalize the permanent plan for the child, which includes ongoing and future planning for the safety, health, and best interests of the child; and

(ii) the court should approve of the responsible agency's determination that there are compelling reasons why the continued voluntary foster care arrangement is in the child's best interests.

(h) At a permanency review hearing under this section, the court may take the following actions based on the contents of the sworn petition and the consent of the parent:

(1) approve the agency's compelling reasons that the voluntary foster care arrangement is in the best interests of the child; and

(2) find that the agency has made reasonable efforts to finalize a plan for the permanent plan for the child.

(i) A child, age 12 or older, may object to the agency's request that the court approve its compelling reasons for the continued voluntary arrangement and may be heard on the reasons for the objection. Notwithstanding the child's objection, the court may approve the agency's compelling reasons and the voluntary arrangement.

(j) If the court does not approve the voluntary arrangement after hearing from the child or the child's guardian ad litem, the court shall dismiss the petition. In this case, either:

(1) the child must be returned to the care of the parent; or

(2) the agency must file a petition under section 260C.141, asking for appropriate relief under section 260C.201, subdivision 11, or 260C.301.

(k) When the court approves the agency's compelling reasons for the child to continue in voluntary foster care for treatment, and finds that the agency has made reasonable efforts to finalize a permanent plan for the child, the court shall approve the continued voluntary foster care arrangement, and continue the matter under the court's jurisdiction for the purposes of reviewing the child's placement every 12 months while the child is in foster care.

(l) A finding that the court approves the continued voluntary placement means the agency has continued legal authority to place the child while a voluntary placement agreement remains in effect. The parent or the agency may terminate a voluntary agreement as provided in section 260D.301. Termination of a voluntary foster care placement of an Indian child is governed by section 260.765, subdivision 4.

Sec. 51. **[260D.109] ANNUAL REVIEW.**

(a) After the court conducts a permanency review hearing under section 260D.107, the matter must be returned to the court for further review of the child's foster care placement at least every 12 months while the child is in foster care. The court shall give notice to the parent and child, age 12 or older, and the foster parents of the continued review requirements under this section at the permanency review hearing.

(b) Every 12 months, the court shall determine whether the agency made reasonable efforts to finalize the permanency plan for the child, which means the exercise of due diligence by the agency to:

(1) ensure that the agreement for voluntary foster care is the most appropriate legal arrangement to meet the child's safety, health, and best interests;

(2) engage and support the parent in continued involvement in planning and decision making for the needs of the child;

(3) strengthen the child's ties to the parent, relatives, and community;

(4) implement the out-of-home placement plan required under section 260C.212, subdivision 1, and ensure that the plan requires the provision of appropriate services to address the physical health, mental health, and educational needs of the child; and

(5) ensure appropriate planning for the child's safe, permanent, and independent living arrangement after the child's 18th birthday.

Sec. 52. **[260D.201] PERMANENCY REVIEW AFTER ADJUDICATION UNDER CHAPTER 260C.**

(a) If a child has been ordered into foster care under section 260C.178 or 260C.201, subdivision 1, and the conditions that led to the court's order have been corrected so that the child could safely return home except for the child's need to continue in foster care for treatment due to the child's disability, the child's parent and the agency may enter into a voluntary foster care agreement under this chapter using the procedure set out in paragraph (b).

(b) When the agency and the parent agree to enter into a voluntary foster care agreement under this chapter, the agency must file a motion to terminate jurisdiction under section 260C.193, subdivision 6, and to dismiss the order for foster care under section 260C.178 or 260C.201, subdivision 1, together with the petition required under section 260D.107, paragraph (b), for permanency review and the court's approval of the voluntary arrangement.

(c) The court shall send the motion and the petition filed under subdivision 2 together with a notice of hearing by mail as required in section 260D.107, paragraph (e).

(d) The petition and motion under this section must be filed no later than the time the agency is required to file a petition for permanent placement under section 260C.201, subdivision 11, but may be filed as soon as the agency and the parent agree that the child should remain in foster care under a voluntary foster care agreement, because the child needs treatment and voluntary foster care is in the child's best interest.

(e) In order for the agency to have continuous legal authority to place the child, the parent and the

agency must execute a voluntary foster care agreement for the child's continuation in foster care for treatment prior to the termination of the order for foster care under section 260C.178 or 260C.201, subdivision 1. The parent and agency may execute the voluntary foster care agreement at or before the permanency review hearing required under this section. The voluntary foster care agreement shall not be effective until the court terminates jurisdiction under section 260C.193, subdivision 6, and dismisses the order for foster care under section 260C.178 or 260C.201, subdivision 1. Unless the agency and the parent execute a voluntary placement agreement for the child to continue in voluntary foster care for treatment, the agency shall not have legal authority to place the child after the court terminates jurisdiction under chapter 260C.

Sec. 53. [260D.301] TERMINATION OF VOLUNTARY PLACEMENT AGREEMENT.

(a) The child's parent may terminate a voluntary placement agreement under this chapter upon written notice to the agency of the termination of the agreement. The termination of a voluntary foster care agreement regarding an Indian child shall be governed by section 260.765, subdivision 4.

(b) The agency may terminate a voluntary placement agreement under this section upon written notice of the termination of the agreement to the parent. Prior to sending notice of termination of the voluntary foster care placement agreement, the agency shall contact the parent regarding transition planning under paragraph (e). Written notice by the agency shall be considered received by the parent three business days after mailing by the agency.

(c) Upon receipt of notice of the termination of the voluntary foster care agreement, the agency, the parent, and the facility may agree to a time that the child shall return home. The scheduled time to return home shall meet the child's need for safety and reasonable transition. Unless otherwise agreed by the parent and the agency, the child's return home shall not occur sooner than 72 hours and not later than 30 days after written notice of termination is received or sent by the agency.

(d) A parent who disagrees with the termination of a voluntary foster care agreement by the agency under this chapter has the right to a fair hearing under section 256.045 to appeal the termination of the voluntary foster care agreement. When the agency gives written notice to the parent of the termination of the agreement, the agency must also give the parent notice of the parent's right to a fair hearing under section 256.045 to appeal the agency's decision to terminate the voluntary foster care agreement.

(e) The agency and the child's parents shall engage in transition planning for the child's return home, including establishing a scheduled time for the child to return home, an increased visitation plan between the parent and child, and a plan for what services will be provided and in place upon the child's return home.

(f) Notice of termination of voluntary foster care agreement does not terminate the agreement. The voluntary foster care agreement and the agency's legal authority to place the child are terminated by the child's return home or by court order.

Sec. 54. Minnesota Statutes 2006, section 524.2-114, is amended to read:

524.2-114 MEANING OF CHILD AND RELATED TERMS.

If, for purposes of intestate succession, a relationship of parent and child must be established to determine succession by, through, or from a person:

(1) An adopted ~~person~~ child is the child of an adopting parent and not of the birth parents except that adoption of a child by the spouse of a birth parent has no effect on the relationship between the child and that birth parent. If a parent dies and a child is subsequently adopted by a stepparent who is the spouse of a surviving parent, any rights of inheritance of the child or the child's descendant from or through the deceased parent of the child which exist at the time of the death of that parent shall not be affected by the adoption.

(2) In cases not covered by clause (1), a person is the child of the person's parents regardless of the marital status of the parents and the parent and child relationship may be established under the Parentage Act, sections 257.51 to 257.74.

Sec. 55. Minnesota Statutes 2006, section 626.556, subdivision 7, is amended to read:

Subd. 7. **Report.** An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under subdivision 3 to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency, unless the appropriate agency has informed the reporter that the oral information does not constitute a report under subdivision 10. The local welfare agency shall determine if the report is accepted for an assessment or investigation as soon as possible but in no event longer than 24 hours after the report is received. Any report shall be of sufficient content to identify the child, any person believed to be responsible for the abuse or neglect of the child if the person is known, the nature and extent of the abuse or neglect and the name and address of the reporter. If requested, the local welfare agency or the agency responsible for assessing or investigating the report shall inform the reporter within ten days after the report is made, either orally or in writing, whether the report was accepted for assessment or investigation. Written reports received by a police department or the county sheriff shall be forwarded immediately to the local welfare agency or the agency responsible for assessing or investigating the report. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department or the agency responsible for assessing or investigating the report shall be forwarded immediately to the local police department or the county sheriff.

A written copy of a report maintained by personnel of agencies, other than welfare or law enforcement agencies, which are subject to chapter 13 shall be confidential. An individual subject of the report may obtain access to the original report as provided by subdivision 11.

Sec. 56. Minnesota Statutes 2007 Supplement, section 626.556, subdivision 10a, is amended to read:

Subd. 10a. **Law enforcement agency responsibility for investigation; welfare agency reliance on law enforcement fact-finding; welfare agency offer of services.** (a) If the report alleges neglect, physical abuse, or sexual abuse by a person who is not a parent, guardian, sibling, person responsible for the child's care functioning within the family unit, or a person who lives in the child's household and who has a significant relationship to the child, in a setting other than a facility as defined in subdivision 2, the local welfare agency shall immediately notify the appropriate law enforcement agency, which shall conduct an investigation of the alleged abuse or neglect if a violation of a criminal statute is alleged.

(b) The local agency may rely on the fact-finding efforts of the law enforcement investigation conducted under this subdivision to make a determination whether or not threatened ~~harm~~ injury or

other maltreatment has occurred under subdivision 2 if an alleged offender has minor children or lives with minors.

(c) The local welfare agency shall offer appropriate social services for the purpose of safeguarding and enhancing the welfare of the abused or neglected minor.

Sec. 57. TARGETED CASE MANAGEMENT SERVICES FOR CHILDREN.

The commissioner of human services shall seek an amendment to the state plan to provide targeted case management services to children with developmental disabilities who are in need of activities that coordinate and link social and other services designed to help children gain access to needed medical, social, educational, and other services under Minnesota Statutes, section 256B.092.

Sec. 58. REVISOR'S INSTRUCTION.

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>259.67</u>	<u>260.851, article 5</u>	<u>260.853, article 4</u>
<u>256B.094</u>	<u>260.851</u>	<u>260.853</u>

EFFECTIVE DATE. This section is effective upon legislative enactment of the interstate compact in section 23 by no less than 35 states.

Sec. 59. REPEALER.

(a) Minnesota Statutes 2006, section 260.851, is repealed effective upon legislative enactment of the interstate compact in section 23 by no less than 35 states. The commissioner of human services shall inform the revisor of statutes when this occurs.

(b) Minnesota Statutes 2006, sections 260B.241; 260C.141, subdivision 2a; 260C.207; 260C.431; and 260C.435, are repealed.

(c) Minnesota Statutes 2007 Supplement, section 260C.212, subdivision 9, is repealed.

Minnesota Rules, parts 9560.0092; 9560.0093, subpart 2; and 9560.0609, are repealed.

ARTICLE 7

DATA PRIVACY

Section 1. Minnesota Statutes 2006, section 13.46, is amended by adding a subdivision to read:

Subd. 12. **Child care resource and referral programs.** This subdivision applies to data collected by child care resource and referral programs under section 119B.19. Data collected under section 119B.19 are not licensing data under subdivision 4. Data on unlicensed family child care providers are data on individuals governed by subdivision 2. In addition to the disclosures authorized by this section, the names and addresses of unlicensed family child care providers may be disclosed to the commissioner of education for purposes of promoting and evaluating school readiness.

Sec. 2. Minnesota Statutes 2006, section 13.46, is amended by adding a subdivision to read:

Subd. 13. **Family, friend, and neighbor grant program.** This subdivision applies to data collected by family, friend, and neighbor (FFN) grantees under section 119B.232. Data collected under section 119B.232 are data on individuals governed by subdivision 2. The commissioner may disclose private data collected under this section to early childhood care and education experts at the University of Minnesota to evaluate the impact of the grants under subdivision 2 on children's school readiness and to evaluate the FFN grant program. The commissioner may disclose the names and addresses of FFN caregivers to the commissioner of education for purposes of promoting and evaluating school readiness.

Sec. 3. Laws 2007, chapter 147, article 2, section 56, is amended to read:

Sec. 56. COMMISSIONER OF HUMAN SERVICES DUTIES; EARLY CHILDHOOD AND SCHOOL-AGE PROFESSIONAL DEVELOPMENT TRAINING.

Subdivision 1. **Development and implementation of an early childhood and school-age professional development system.** (a) The commissioner of human services, in cooperation with the commissioners of education and health, shall develop and phase-in the implementation of a professional development system for practitioners serving children in early childhood and school-age programs. The system shall provide training options and supports for practitioners to voluntarily choose, as they complete or exceed existing licensing requirements.

The system must, at a minimum, include the following features:

(1) a continuum of training content based on the early childhood and school-age care practitioner core competencies that translates knowledge into improved practice to support children's school success;

(2) training strategies that provide direct feedback about practice to practitioners through ongoing consultation, mentoring, or coaching with special emphasis on early literacy and early mathematics;

(3) an approval process for trainers;

(4) a professional development registry for early childhood and school-age care practitioners that will provide tracking and recognition of practitioner training/career development progress;

(5) a career lattice that includes a range of professional development and educational opportunities that provide appropriate coursework and degree pathways;

(6) development of a plan with public higher education institutions for an articulated system of education, training, and professional development that includes credit for prior learning and development of equivalences to two- and four-year degrees;

(7) incentives and supports for early childhood and school-age care practitioners to seek additional training and education, including TEACH, other scholarships, and career guidance; and

(8) coordinated and accessible delivery of training to early childhood and school-age care practitioners.

(b) By January 1, 2008, the commissioner, in consultation with the organizations named in

subdivision 2 shall develop additional opportunities in order to qualify more licensed family child care providers under section 119B.13, subdivision 3a.

(c) The commissioner of human services must evaluate the professional development system and make continuous improvements.

(d) Beginning July 1, 2007, as appropriations permit, the commissioner shall phase-in the professional development system.

Subd. 2. **Two-hour early childhood training.** By January 15, 2008, the commissioner of human services, with input from the Minnesota Licensed Family Child Care Association and the Minnesota Professional Development Council, shall identify trainings that qualify for the two-hour early childhood development training requirement for new child care practitioners under Minnesota Statutes, section 245A.14, subdivision 9a, paragraphs (a) and (b). For licensed family child care, the commissioner shall also seek the input of labor unions that serve licensed family child care providers, if the union has been recognized by a county to serve licensed family child care providers.

Subd. 3. **Data classification for child care practitioner professional development system.** This subdivision applies to data collected under this section by the child care practitioner professional development system. Data collected under this section is welfare data under section 13.46 but is not licensing data under section 13.46, subdivision 4. Data on individuals who are licensed family child care providers are private data on individuals governed by section 13.46, subdivision 2. The commissioner may disclose nonpublic data collected under this section as described in section 13.46, subdivision 2. The commissioner also may disclose private and nonpublic data collected under this section to the following entities:

- (1) personnel of the welfare system who require the data for child care licensing purposes;
- (2) personnel of the welfare system who require the data to administer or evaluate the child care assistance program;
- (3) the commissioner of education for purposes of implementing, administering, and evaluating the child care practitioner professional development system;
- (4) the commissioner of health for purposes of implementing and administering this section; and
- (5) an individual's employer for purposes of tracking and verifying employee training, education, and expertise."

Delete the title and insert:

"A bill for an act relating to human services; changing provisions in the MFIP work participation program licensing and child care; making technical changes; changing child welfare provisions; establishing the Interstate Compact for the Placement of Children; changing provisions for child placement; establishing child in voluntary foster care for treatment; changing data privacy provisions; amending Minnesota Statutes 2006, sections 13.46, by adding subdivisions; 119B.011, subdivision 17; 119B.03, subdivisions 1, 6; 119B.09, subdivisions 1, 9; 119B.125, by adding a subdivision; 119B.21, subdivision 10; 245C.24, subdivision 2; 256E.30, subdivision 1; 256E.35, subdivision 7; 256J.24, subdivision 5; 256J.425, subdivision 1; 256J.521, subdivision 4; 256J.54, subdivisions 2, 5; 256J.545; 259.20, subdivision 1; 259.21, by adding a subdivision; 259.22,

subdivision 2; 259.23, subdivision 2; 259.43; 259.52, subdivision 2; 259.53, subdivision 3; 259.59, subdivisions 1, 2; 259.67, subdivisions 2, 3, by adding a subdivision; 259.75, subdivision 5; 259.89, subdivisions 1, 2, 4, by adding a subdivision; 260.835, subdivision 2; 260C.001, subdivision 2; 260C.007, subdivisions 5, 6, 13; 260C.101, subdivision 2; 260C.141, subdivision 2; 260C.171, subdivision 2; 260C.178, subdivision 1; 260C.205; 260C.212, subdivisions 7, 8, by adding a subdivision; 260C.325, subdivisions 1, 3; 524.2-114; 626.556, subdivision 7; Minnesota Statutes 2007 Supplement, sections 119B.12; 119B.125, subdivision 2; 119B.13, subdivisions 1, 7; 119B.21, subdivision 5; 119B.231, subdivision 5; 245C.08, subdivision 2; 256.01, subdivision 2; 256E.35, subdivision 2; 256J.20, subdivision 3; 256J.626, subdivisions 3, 7; 256J.95, subdivision 3; 259.41, subdivision 1; 259.57, subdivision 1; 259.67, subdivision 4; 260C.163, subdivision 1; 260C.209, subdivisions 1, 2, by adding a subdivision; 260C.212, subdivisions 1, 4; 626.556, subdivision 10a; Laws 2007, chapter 147, article 2, sections 21; 56; proposing coding for new law in Minnesota Statutes, chapters 259; 260; proposing coding for new law as Minnesota Statutes, chapter 260D; repealing Minnesota Statutes 2006, sections 256K.25; 260.851; 260B.241; 260C.141, subdivision 2a; 260C.207; 260C.431; 260C.435; Minnesota Statutes 2007 Supplement, section 260C.212, subdivision 9; Minnesota Rules, parts 9560.0092; 9560.0093, subpart 2; 9560.0609."

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

House Conferees: (Signed) Neva Walker, Nora Slawik, Bud Nornes

Senate Conferees: (Signed) Patricia Torres Ray, Betsy L. Wergin, Linda Berglin

Senator Torres Ray moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3376 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 3376 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 5, as follows:

Those who voted in the affirmative were:

Berglin	Erickson Ropes	Lynch	Pogemiller	Skogen
Betzold	Foley	Marty	Prettner Solon	Sparks
Bonoff	Gimse	Metzen	Rest	Stumpf
Carlson	Higgins	Michel	Robling	Tomassoni
Chaudhary	Johnson	Moua	Rosen	Torres Ray
Clark	Koch	Murphy	Rummel	Wergin
Cohen	Koering	Olseen	Saxhaug	Wiger
Dahle	Kubly	Olson, G.	Scheid	
Day	Langseth	Olson, M.	Senjem	
Dille	Latz	Ortman	Sheran	
Doll	Lourey	Pappas	Sieben	

Those who voted in the negative were:

Gerlach	Hann	Ingebrigtsen	Limmer	Vandever
---------	------	--------------	--------	----------

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

MOTIONS AND RESOLUTIONS - CONTINUED**RECONSIDERATION**

Having voted on the prevailing side, Senator Higgins moved that the vote whereby H.F. No. 3346 was passed by the Senate on May 18, 2008, be now reconsidered. The motion prevailed. So the vote was reconsidered.

H.F. No. 3346: A bill for an act relating to housing; providing assistance to prevent mortgage foreclosure; increasing the maximum amount of financial assistance; amending Minnesota Statutes 2006, section 462A.209, subdivision 7.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Berglin	Erickson Ropes	Langseth	Olson, G.	Senjem
Betzold	Fischbach	Larson	Olson, M.	Sheran
Bonoff	Foley	Latz	Ortman	Sieben
Carlson	Gerlach	Limmer	Pappas	Skoe
Chaudhary	Gimse	Lourey	Pogemiller	Skogen
Clark	Hann	Lynch	Prettner Solon	Sparks
Cohen	Higgins	Marty	Rest	Stumpf
Dahle	Ingebrigtsen	Metzen	Robling	Tomassoni
Day	Johnson	Michel	Rosen	Torres Ray
Dibble	Koch	Moua	Rummel	Vandever
Dille	Koering	Murphy	Saxhaug	Wergin
Doll	Kubly	Olseen	Scheid	Wiger

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

RECESS

Senator Pogemiller 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.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that H.F. No. 4072 be taken from the table. The motion prevailed.

H.F. No. 4072: A bill for an act relating to capital improvements; appropriating money for asset preservation at the University of Minnesota and Minnesota State Colleges and Universities; authorizing the sale and issuance of state bonds.

The question recurred on the Hann amendment. Senator Hann withdrew his amendment.

Senator Langseth moved to amend H.F. No. 4072, as amended by the Senate May 13, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 3815.)

Delete everything after the enacting clause and insert:

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

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

<u>Natural Resources</u>	<u>20,000,000</u>
<u>Administration</u>	<u>3,400,000</u>
<u>Metropolitan Council</u>	<u>72,000,000</u>
<u>Veterans Affairs</u>	<u>10,100,000</u>
 <u>TOTAL</u>	 <u>\$ 105,500,000</u>
 <u>Bond Proceeds Fund (General Fund Debt Service)</u>	 <u>105,500,000</u>

APPROPRIATIONS

Sec. 2. **NATURAL RESOURCES**

Lake Vermilion State Park **\$ 20,000,000**

To the commissioner of natural resources to acquire land for Lake Vermilion State Park. Any amount not needed for acquisition may be used to predesign, design, construct, furnish, and equip park facilities for the development of Lake Vermilion State Park.

Sec. 3. **ADMINISTRATION**

Capital Asset Preservation and Replacement **\$ 3,400,000**

To the commissioner of administration to be spent for capital asset preservation and replacement in accordance with Minnesota Statutes, section 16A.632.

Sec. 4. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation \$ 72,000,000

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

Subd. 2. Central Corridor Transit Way 70,000,000

(a) For one or more of the following activities for the Central Corridor light rail transit line that will connect downtown Minneapolis with downtown St. Paul: preliminary engineering, final design, property acquisition, including improvements and betterments of a capital nature, relocation of utilities owned by public entities, and construction. No more than \$20,000,000 of the appropriation may be used for preliminary engineering.

(b) Hennepin and Ramsey Counties need not spend their matching money for this project at a rate faster than dollar for dollar with the money from this appropriation.

(c) District heating and district cooling nonprofit corporations organized under Minnesota Statutes, chapter 317A, that are exempt organizations under section 501(c)(3) of the United States Internal Revenue Code and are public right-of-way users under Minnesota Rules, chapter 7819, are eligible to receive grants and federal money for costs of relocating facilities from public rights-of-way to prevent interference with public light rail projects, unless eligibility would impact the project's Federal Transit Authority required cost effectiveness index.

Subd. 3. Old Cedar Avenue Bridge 2,000,000

For a grant to the city of Bloomington for removal and replacement of the old Cedar Avenue bridge for bicycle commuters and recreational users. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

Sec. 5. **VETERANS AFFAIRS****Subdivision 1. Total Appropriation** \$ **10,100,000**

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

Subd. 2. Minneapolis Veterans Home Campus**(a) Building 9 Demolition** 1,000,000

To demolish Building 9 and relocate a water main serving the campus. This appropriation is to cover 100 percent of the cost of this portion of the project.

(b) New Nursing Facility 9,100,000

To design, construct, furnish, and equip a 100-bed nursing facility on the Minneapolis campus.

The appropriation is to cover the 35 percent state share of this portion of the project.

Sec. 6. BOND SALE AUTHORIZATION.

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 \$105,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 7. BOND SALE AUTHORIZATION REDUCTION.

The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by \$207,588,000.

Sec. 8. Minnesota Statutes 2007 Supplement, section 16A.531, subdivision 1a, is amended to read:

Subd. 1a. **Revenues.** The following revenues must be deposited in the environmental fund:

(1) ~~all~~ revenue from the motor vehicle transfer fee ~~imposed under~~ as provided in section 115A.908, subdivision 2;

(2) all fees collected under section 116.07, subdivision 4d;

(3) all money collected by the Pollution Control Agency in enforcement matters as provided in section 115.073;

(4) all revenues from license fees for individual sewage treatment systems under section 115.56;

- (5) all loan repayments deposited under section 115A.0716;
- (6) all revenue from pollution prevention fees imposed under section 115D.12;
- (7) all loan repayments deposited under section 116.994;
- (8) all fees collected under section 116C.834;
- (9) revenue collected from the solid waste management tax pursuant to chapter 297H;
- (10) fees collected under section 473.844;
- (11) interest accrued on the fund; and
- (12) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Sec. 9. Minnesota Statutes 2006, section 16B.325, as amended by Laws 2008, chapter 179, section 30, is amended to read:

16B.325 SUSTAINABLE BUILDING GUIDELINES.

Subdivision 1. **Development of sustainable building guidelines.** The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003, and for all major renovations of state buildings by February 1, 2009. The primary objectives of these guidelines are to ensure that all new state buildings, and major renovations of state buildings, initially exceed the state energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent.

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and major renovations, and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings and major renovations. The guidelines shall define "major renovations" for purposes of this section. The definition may not allow "major renovations" to encompass less than 10,000 square feet or to encompass less than the complete replacement of the mechanical, ventilation, or cooling system of the building or a section of the building. The design guidelines must establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements; specify ways to reduce material costs; and must consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.

Subd. 3. **Development of guidelines; applicability.** In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this section are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004, and for all major renovations receiving funding from the bond proceeds fund after January 1, 2009.

Sec. 10. Minnesota Statutes 2006, section 16B.335, subdivision 2, as amended by Laws 2008, chapter 179, section 31, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made must not proceed until the recipient undertaking the project has notified the chair of the senate Finance Committee, the chair of the house Capital Investment Committee, and the chair of the house Ways and Means Committee that the work is ready to begin. Notice is not required for capital projects needed to comply with the Americans with Disabilities Act, for asset preservation projects to which section ~~16A.307~~ 16B.307 applies, or for projects funded by an agency's operating budget or by a capital asset preservation and replacement account under section 16A.632, or a higher education asset preservation and replacement account under section 135A.046.

Sec. 11. Minnesota Statutes 2006, section 85.012, is amended by adding a subdivision to read:

Subd. 38a. Lake Vermilion State Park, St. Louis County.

Sec. 12. Minnesota Statutes 2006, section 473.4051, as amended by Laws 2008, chapters 239, article 1, section 108, and 287, article 1, section 108, is amended to read:

473.4051 LIGHT RAIL TRANSIT CONSTRUCTION AND OPERATION.

Subdivision 1. Operator. The council shall operate all light rail transit facilities and services located in the metropolitan area upon completion of construction of the facilities and the commencement of revenue service using the facilities. The council may not allow the commencement of revenue service until after an appropriate period of acceptance testing to ensure safe and satisfactory performance. In assuming the operation of the system, the council must comply with section 473.415. The council shall coordinate operation of the light rail transit system with bus service to avoid duplication of service on a route served by light rail transit and to ensure the widest possible access to light rail transit lines in both suburban and urban areas by means of a feeder bus system.

Subd. 2. Operating costs. After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state.

Subd. 3. Capital costs. State money may not be used to pay more than ten percent of the total capital cost of a light rail transit project.

Sec. 13. Laws 2005, chapter 20, article 1, section 23, subdivision 8, as amended by Laws 2008, chapter 179, section 56, is amended to read:

Subd. 8. **Lewis and Clark Rural Water System, Inc.** 2,000,000

This appropriation is from the general fund to the Public Facilities Authority for grants to the Lewis and Clark Joint Powers Board to ~~acquire land, predesign, design, construct, furnish, and equip water transmission and storage facilities of~~ make an equity contribution to the Lewis and Clark Rural Water System, Inc. for construction of a water system, including components inside and outside of this state, that will serve southwestern Minnesota.

Payment to the Lewis and Clark Rural Water System, Inc., must be approved by the Lewis and Clark Joint Powers Board.

This appropriation is available only to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. Amounts spent since April 11, 2005, by the Lewis and Clark Joint Powers Board members for payments made to the Lewis and Clark Rural Water System, Inc. for the allocated percentage of costs of constructing the Lewis and Clark Rural Water System project may be counted as part of the nonstate match.

This appropriation is the first phase of the state share for the Lewis and Clark Rural Water System, Inc. project as defined in the federal Lewis and Clark Rural Water System Act of 2000.

Sec. 14. Laws 2006, chapter 258, section 16, subdivision 5, is amended to read:

Subd. 5. Northeast Minnesota rail initiative

1,300,000

For a grant to St. Louis County to renovate the St. Louis County Heritage and Arts Center (the Duluth Depot) and ~~to match federal money for preliminary engineering, and environmental studies, and relating to construction of the rail line, railway stations, park-and-ride lots, and other railroad appurtenances necessary to facilitate the return of intercity and commuter/passenger rail service within Duluth and the Duluth/Twin Cities rail corridor.~~

Sec. 15. Laws 2006, chapter 258, section 19, subdivision 4, is amended to read:

Subd. 4. Hastings Veterans Home Supportive Housing

700,000

To design ~~30~~ 60 units of permanent supportive housing for veterans with disabilities.

The ~~Minnesota Veterans Homes Board commissioner of veterans affairs and the Minnesota Housing Finance Finance~~

Agency must work together cooperatively on the development of a viable permanent supportive housing project to serve only primarily veterans on the campus of the Hastings home. For purposes of this project, the commissioners of veterans affairs and administration may enter into financing agreements with the Minnesota Housing Finance Agency to obtain money to design, construct, and furnish housing for veterans upon terms and conditions acceptable to the commissioners.

Sec. 16. Laws 2006, chapter 258, section 21, subdivision 15, as amended by Laws 2008, chapter 179, section 67, is amended to read:

Subd. 15. Lewis and Clark Rural Water System, Inc.

3,282,000

This appropriation is from the general fund to the Public Facilities Authority for grants to the Lewis and Clark Joint Powers Board to ~~acquire land, predesign, design, construct, furnish, and equip water transmission and storage facilities of~~ make an equity contribution to the Lewis and Clark Rural Water System, Inc. for construction of a water system, including components inside and outside of this state, that will serve southwestern Minnesota.

Payment to the Lewis and Clark Rural Water System, Inc. must be approved by the Lewis and Clark Joint Powers Board.

This appropriation is available to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. Amounts spent since April 11, 2005, by the Lewis and Clark Joint Powers Board members for payments made to the Lewis and Clark Rural Water System, Inc. for the allocated percentage of costs of constructing the Lewis and Clark Rural Water System project may be counted as part of the nonstate match.

Sec. 17. Laws 2008, chapter 179, section 3, subdivision 12, is amended to read:

Subd. 12. Metropolitan State University**(a) Smart Classroom Center**

4,980,000

To construct, furnish, and equip renovation of two floors of technology-enhanced classrooms and academic offices in the power plant building. This appropriation includes money to demolish the power plant annex to enable the new construction.

(b) Law Enforcement Training Center

13,900,000

To compete design of and to construct, furnish, and equip, in cooperation with Minneapolis Community and Technical College, a colocated Law Enforcement Training Center on the campus of Hennepin Technical College in Brooklyn Park. The board may use up to \$2,000,000 of college or university money for this project.

Sec. 18. Laws 2008, chapter 179, section 5, subdivision 5, is amended to read:

Subd. 5. Pollard Hall

200,000

To construct, furnish, and equip the renovation of Pollard Hall to house the Deaf and Hard of Hearing Children's ~~Residential Day Treatment Center.~~

Sec. 19. Laws 2008, chapter 179, section 11, is amended to read:

Sec. 11. MINNESOTA ZOOLOGICAL GARDEN**\$ 2,500,000**

To the Minnesota Zoological Garden for capital asset preservation improvements and betterments, to be spent in accordance with Minnesota Statutes, section 16B.307.

\$1,526,000— is Priority for use of these funds must be given to design and construct improvements to its water management system. The project must be designed to address inflow and infiltration problems associated with the Minnesota Zoo's water discharge flow to the city of Eagan.

Sec. 20. Laws 2008, chapter 179, section 15, subdivision 7, is amended to read:

Subd. 7. Scott County Public Safety Training Center

1,000,000

Notwithstanding any law to the contrary, for a grant to Scott County to design, construct, furnish, and equip a an expansion of its regional public safety training center in Scott County.

This appropriation is in addition to the appropriation in Laws 2006, chapter 258, section 15, and is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources. Amounts committed to this project from nonstate sources since June 2, 2006, may be counted for the nonstate match.

Sec. 21. Laws 2008, chapter 179, section 17, subdivision 2, is amended to read:

Subd. 2. Urban Partnership Agreement

16,672,000

(a) ~~\$8,360,000~~ This appropriation is to acquire land, design, and construct new or expanded park-and-rides or transit stations in the Interstate 35W and Trunk Highway 77/Cedar Avenue corridors and for bus lane construction and related street and sidewalk improvement or bus shelters in downtown Minneapolis.

(b) ~~\$8,312,000 is for bus lane construction and related street and sidewalk improvements and bus shelters in downtown Minneapolis.~~ Up to \$6,433,000 of this appropriation is for a grant to the city of Minneapolis for bus lane construction and related street and sidewalk improvements in downtown Minneapolis.

(c) ~~The appropriations~~ appropriation in this subdivision are is not available until the United States Department of Transportation authorizes funding under the Urban Partnership Agreement.

Sec. 22. Laws 2008, chapter 179, section 21, subdivision 15, is amended to read:

Subd. 15. St. Cloud State University - National Hockey Center

6,500,000

To the Board of Trustees of the Minnesota State Colleges and Universities to predesign, design, construct, furnish, and equip the renovation of and addition to the National Hockey Center. The board may use university and nonstate money for the remainder of the cost of the construction.

Sec. 23. Laws 2008, chapter 179, section 26, is amended to read:

Sec. 26. BOND SALE SCHEDULE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2009, no more than ~~\$871,424,000~~ \$870,478,000 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. 24. LAKE VERMILION STATE PARK.

Subdivision 1. Lake Vermilion State Park. Lake Vermilion State Park is established in St. Louis County.

Subd. 2. Management. All lands acquired for Lake Vermilion State Park must be administered in the same manner as provided for other state parks and must be perpetually dedicated for that use.

Subd. 3. Boundaries. The following described lands are located within the boundaries of Lake Vermilion State Park:

(1) Government Lots 4, 5, 6, 7, 8, 9, and the South Half of the Southeast Quarter, all in Section 13, Township 62 North, Range 15 West;

(2) Government Lots 6 and 8, Section 14, Township 62 North, Range 15 West;

(3) Government Lots 1 and 7 and the Northeast Quarter of the Southeast Quarter, all in Section 22, Township 62 North, Range 15 West;

(4) Government Lots 1, 2, 3, 4, the Southeast Quarter of the Northeast Quarter, and the South Half, all in Section 23, Township 62 North, Range 15 West;

(5) all of Section 24, Township 62 North, Range 15 West;

(6) all of Section 25, Township 62 North, Range 15 West;

(7) all of Section 26, Township 62 North, Range 15 West, excepting therefrom all that part of the Southeast Quarter of the Southwest Quarter lying South of the south right-of-way line of State Highway 169 and also excepting therefrom the East 845 feet of the Southwest Quarter of the

Southwest Quarter lying South of the south right-of-way line of State Highway 169;

(8) the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 27, Township 62 North, Range 15 West;

(9) the Southeast Quarter of the Northeast Quarter of Section 29, Township 62 North, Range 15 West, except that part lying South of the centerline of the McKinley Park Road; and

(10) Government Lots 1 and 2 and the East Half of the Northwest Quarter, Section 19, Township 62 North, Range 14 West.

EFFECTIVE DATE. This section is effective upon acquisition by the state by purchase or by gift of all lands described in subdivision 3.

Sec. 25. ACQUISITION; LAKE VERMILION STATE PARK.

The commissioner of natural resources may acquire by gift or purchase the lands for Lake Vermilion State Park. Minnesota Statutes, section 84.0272, subdivision 1, does not apply to a purchase, except for the requirement that the lands be appraised. The commissioner must not pay more than 12 percent above the appraised value of the land.

Sec. 26. REPEALER.

Laws 2008, chapter 179, section 27, subdivision 2, is repealed.

Sec. 27. EFFECTIVE DATE.

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

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale of state bonds; modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.325, as amended; 16B.335, subdivision 2, as amended; 85.012, by adding a subdivision; 473.4051, as amended; Minnesota Statutes 2007 Supplement, section 16A.531, subdivision 1a; Laws 2005, chapter 20, article 1, section 23, subdivision 8, as amended; Laws 2006, chapter 258, sections 16, subdivision 5; 19, subdivision 4; 21, subdivision 15, as amended; Laws 2008, chapter 179, sections 3, subdivision 12; 5, subdivision 5; 11; 15, subdivision 7; 17, subdivision 2; 21, subdivision 15; 26; repealing Laws 2008, chapter 179, section 27, subdivision 2."

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of the proceedings on H.F. No. 4072. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 4072 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 50 and nays 17, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Langseth	Olseen	Scheid
Bakk	Dille	Larson	Olson, M.	Sheran
Berglin	Doll	Latz	Pappas	Sieben
Betzold	Erickson Ropes	Lourey	Pogemiller	Skoe
Bonoff	Fischbach	Lynch	Prettner Solon	Skogen
Carlson	Foley	Marty	Rest	Sparks
Chaudhary	Frederickson	Metzen	Rosen	Tomassoni
Clark	Gimse	Michel	Rummel	Torres Ray
Cohen	Higgins	Moua	Saltzman	Vickerman
Dahle	Kubly	Murphy	Saxhaug	Wiger

Those who voted in the negative were:

Day	Johnson	Limmer	Robling	Wergin
Gerlach	Jungbauer	Olson, G.	Senjem	
Hann	Koch	Ortman	Stumpf	
Ingebrigtsen	Koering	Pariseau	Vandever	

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 Executive and Official Communications and Messages From the House.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 18, 2008

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

I have vetoed and am returning Senate File 960, Chapter 342, a bill modifying the definition of "dependents" for purposes of group benefits for local government officers and employees.

The provisions in this bill would permit unlimited expansion of employment benefits to domestic partners and others by local units of government. I vetoed nearly identical language last year, and my position has not changed.

Sincerely,
Tim Pawlenty, Governor

Senator Pogemiller moved that S.F. No. 960 and the veto message thereon be laid on the table. The motion prevailed.

May 18, 2008

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

I have vetoed and am returning S.F. 2605, Chapter 339, a bill that will stagger the terms for appointments to the Met Council.

Appointed members of the Met Council serve at the will of the governor and the terms of the council members end with the term of the governor. This structure was the result of reforms intended to increase Met Council accountability, and this bill reduces that accountability.

Sincerely,
Tim Pawlenty, Governor

Senator Pogemiller moved that S.F. No. 2605 and the veto message thereon be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1812, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1812 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 18, 2008

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1812

A bill for an act relating to the financing, organization, and operation of state government; providing for programs in education, early childhood education, higher education, environment and natural resources, energy, agriculture, veterans affairs, military affairs, jobs and economic development activities or programs, transportation, public safety, courts, human rights, judiciary, housing, public health, health department, and human services; modifying certain statutory provisions and laws; providing for certain programs for economic and state affairs; regulating certain activities and practices; regulating abortion funding; fixing and limiting fees; providing for the taxation of certain corporations; authorizing rulemaking, requiring studies and reports; providing civil penalties; making technical corrections; providing for fund transfers; appropriating money or reducing appropriations; amending Minnesota Statutes 2006, sections 3.30, subdivision 1; 3.855, subdivision 3; 3.971, subdivision 2; 10A.071, subdivision 3; 13.32, subdivision 3, by adding a subdivision; 13.461, by adding a subdivision; 13.465, subdivision 8; 13.851, by adding a subdivision; 15A.081, subdivision 8; 15A.0815; 16A.133, subdivision 1; 16B.281, subdivision 3;

16B.282; 16B.283; 16B.284; 16B.287, subdivision 2; 16C.16, subdivision 5; 16E.01, subdivision 3; 16E.03, subdivision 1; 16E.04, subdivision 2; 17.4988, subdivisions 2, 3; 43A.01, subdivision 3; 43A.17, subdivision 9; 84.788, subdivision 3; 84.82, subdivision 2, by adding a subdivision; 84.922, subdivision 2; 84.9256, subdivision 1; 85.011; 85.012, subdivisions 28, 49a; 85.013, subdivision 1; 85.054, subdivision 3, by adding a subdivision; 86B.401, subdivision 2; 88.15, subdivision 2; 89.715; 93.481, by adding a subdivision; 97A.055, subdivision 4b; 97A.141, subdivision 1; 103A.204; 103A.43; 103B.151, subdivision 1; 103G.291, by adding a subdivision; 103G.615, subdivision 2; 116J.423, by adding a subdivision; 116J.8731, subdivision 4; 116L.17, by adding a subdivision; 116U.26; 119A.03, subdivision 1; 120B.131, subdivision 2; 120B.31, as amended; 120B.35, as amended; 120B.36, as amended; 120B.362; 122A.21; 123B.02, subdivision 21; 123B.59, subdivision 1; 123B.62; 124D.04, subdivisions 3, 6, 8, 9; 124D.05, by adding a subdivision; 124D.10, subdivision 20; 124D.385, subdivision 4; 124D.55; 125A.65, by adding a subdivision; 125A.76, by adding a subdivision; 126C.10, subdivision 31, by adding a subdivision; 126C.17, subdivision 9; 126C.21, subdivision 1; 126C.51; 126C.52, subdivision 2, by adding a subdivision; 126C.53; 126C.55; 127A.45, subdivision 16; 136A.101, subdivision 8; 136A.121, subdivision 5; 136F.90, subdivision 1; 141.25, by adding a subdivision; 144.1222, subdivision 1a, by adding subdivisions; 144.1501, subdivision 2; 144.218, subdivision 1; 144.225, subdivision 2; 144.2252; 144.226, subdivision 1; 157.16, as amended; 168.1255, by adding a subdivision; 171.29, subdivision 1; 190.19, subdivision 1, by adding a subdivision; 192.501, by adding subdivisions; 197.585, subdivision 5; 216C.41, subdivision 4; 253B.045, subdivisions 1, 2, by adding a subdivision; 253B.185, subdivision 5; 256.01, by adding a subdivision; 256.741, subdivisions 2, 2a, 3; 256.969, subdivisions 2b, 20; 256B.0571, subdivisions 8, 9; 256B.0621, subdivisions 2, 6, 10; 256B.0917, subdivision 8; 256B.0924, subdivisions 4, 6; 256B.19, subdivision 1d; 256B.431, subdivision 23; 256B.69, subdivisions 5a, 6, by adding subdivisions; 256B.692, by adding a subdivision; 256D.44, subdivisions 2, 5; 256L.12, subdivision 9; 259.89, subdivision 1; 260C.317, subdivision 4; 268.125, subdivisions 1, 2, by adding a subdivision; 290.01, subdivisions 5, 19c, as amended, 19d, as amended, by adding a subdivision; 290.17, subdivision 4; 298.2214, subdivisions 1, 2, as amended; 298.223, subdivision 2; 298.28, subdivisions 9b, 9d, as added; 298.292, subdivision 2, as amended; 298.2961, subdivision 2; 341.21, as amended; 341.23; 341.26; 341.28, as amended; 341.29; 341.30; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; 349A.02, subdivision 1; 446A.12, subdivision 1; 462A.22, subdivision 1; 473.1565, subdivision 3; 518A.50; 518A.53, subdivision 5; 609.531, subdivision 1; Minnesota Statutes 2007 Supplement, sections 3.922, by adding a subdivision; 10A.01, subdivision 35; 16B.328, by adding a subdivision; 80A.28, subdivision 1; 84.8205, subdivision 1; 103G.291, subdivision 3; 116J.575, subdivision 1a; 116L.17, subdivision 1; 120B.021, subdivision 1; 120B.024; 120B.30; 123B.143, subdivision 1; 124D.531, subdivision 1; 126C.21, subdivision 3; 126C.44; 136A.121, subdivision 7a; 136A.126; 136A.127; 136A.128, by adding a subdivision; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69; 136F.02, subdivision 1; 136F.03, subdivision 4; 141.25, subdivision 5; 141.28, subdivision 1; 141.35; 144.4167, by adding a subdivision; 190.19, subdivision 2; 214.04, subdivision 3; 216C.052, subdivision 2; 216C.41, subdivision 3; 253B.185, subdivision 1b; 256.741, subdivision 1; 256B.0625, subdivision 20; 256B.0631, subdivisions 1, 3; 256B.199; 256B.434, subdivision 19; 256B.441, subdivisions 1, 55, 56; 256J.621; 268.047, subdivisions 1, 2; 268.085, subdivisions 3, 9, 16; 268.125, subdivision 3; 298.227; 341.22; 341.25; 341.27; 341.321; 446A.072, subdivisions 3, 5a; 446A.086; Laws 1999, chapter 223, article 2, section 72; Laws 2006, chapter 282, article 2, section 27, subdivision 4; Laws 2007, chapter 45, article 2, section 1; Laws 2007, chapter 54, article 1, section 11; Laws 2007, chapter 57, article 1, section 4, subdivisions 3, 4, 6; Laws 2007, chapter 135, article 1, section 3, subdivisions 2, 3; Laws 2007, chapter 144,

article 1, sections 3, subdivisions 2, 18; 5, subdivisions 2, 5; Laws 2007, chapter 146, article 1, section 24, subdivisions 2, 3, 4, 5, 6, 7, 8; article 2, section 46, subdivisions 2, 3, 4, 6, 9, 13; article 3, sections 23, subdivision 2; 24, subdivisions 3, 4, 9; article 4, section 16, subdivisions 2, 3, 6, 8; article 5, section 13, subdivisions 2, 3, 4, 5; article 7, section 4; article 9, section 17, subdivisions 2, 3, 4, 8, 9, 13; Laws 2007, chapter 147, article 2, section 21; article 19, section 3, subdivisions 1, 4; Laws 2007, chapter 148, article 1, sections 7; 12, subdivision 4; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 1, 2, 6; Laws 2008, chapter 152, article 1, section 6, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 5; 13B; 16A; 43A; 115A; 116J; 120B; 121A; 124D; 127A; 136F; 144; 192; 256B; 268; 325F; 341; 446A; repealing Minnesota Statutes 2006, sections 16B.281, subdivisions 2, 4, 5; 16B.285; 84.961, subdivision 4; 85.013, subdivision 21b; 97A.141, subdivision 2; 121A.67; 125A.16; 125A.19; 125A.20; 125A.57; 168.123, subdivision 2a; 256.741, subdivision 15; 256J.24, subdivision 6; 259.83, subdivision 3; 259.89, subdivisions 2, 3, 4, 5; 290.01, subdivision 6b; 298.28, subdivision 9a; 341.31; 645.44, subdivision 19; Minnesota Statutes 2007 Supplement, section 256.969, subdivision 27; Laws 1989, chapter 335, article 1, section 21, subdivision 8, as amended; Laws 2004, chapter 188, section 2; Laws 2006, chapter 263, article 3, section 16; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3, 4.

May 18, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 1812 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1812 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SUMMARY

(GENERAL FUND ONLY, AFTER FORECAST ADJUSTMENTS)

Section 1. **GENERAL FUND SUMMARY.**

The amounts shown in this section summarize general fund direct appropriations, and transfers into the general fund from other funds, made in this act.

		<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>E-12 Education</u>	\$	<u>(1,216,000)</u>	\$ <u>26,958,000</u>	<u>25,742,000</u>
<u>Higher Education</u>		<u>(7,150,000)</u>	<u>(14,411,000)</u>	<u>(21,561,000)</u>

<u>Environment and Natural Resources</u>	<u>(328,000)</u>	<u>(2,728,000)</u>	<u>(3,056,000)</u>
<u>Energy</u>	<u>(2,670,000)</u>	<u>(1,436,000)</u>	<u>(4,106,000)</u>
<u>Agriculture</u>	<u>(200,000)</u>	<u>388,000</u>	<u>188,000</u>
<u>Veterans Affairs</u>	<u>-0-</u>	<u>4,145,000</u>	<u>4,145,000</u>
<u>Military Affairs</u>		<u>390,000</u>	<u>390,000</u>
<u>Economic Development</u>	<u>(2,425,000)</u>	<u>1,512,000</u>	<u>(913,000)</u>
<u>Transportation</u>		<u>(255,000)</u>	<u>(255,000)</u>
<u>Public Safety</u>	<u>268,000</u>	<u>(10,490,000)</u>	<u>(10,222,000)</u>
<u>State Government</u>		<u>(1,104,000)</u>	<u>(1,104,000)</u>
<u>Health and Human Services</u>	<u>(46,789,000)</u>	<u>(124,196,000)</u>	<u>(170,985,000)</u>
<u>Subtotal of Appropriations</u>	<u>(60,510,000)</u>	<u>(121,227,000)</u>	<u>(181,737,000)</u>
<u>Transfers In</u>	<u>22,330,000</u>	<u>94,897,000</u>	<u>117,227,000</u>
<u>Total</u>	<u>\$ (82,840,000)</u>	<u>\$ (216,124,000)</u>	<u>\$ (298,964,000)</u>

ARTICLE 2

EARLY CHILDHOOD THROUGH GRADE 12 EDUCATION

Section 1. Minnesota Statutes 2006, section 121A.19, is amended to read:

121A.19 DEVELOPMENTAL SCREENING AID.

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~\$50~~ \$75 for a child screened at age three; (2) ~~\$40~~ \$50 for a child screened at age four; (3) ~~\$30~~ \$40 for a child screened at age five or six prior to kindergarten; and (4) \$30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

Sec. 2. Minnesota Statutes 2006, section 122A.21, is amended to read:

122A.21 TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.

Subdivision 1. Licensure applications. Each application for the issuance, renewal, or extension of a license to teach, including applications for licensure via portfolio under subdivision 2, must be accompanied by a processing fee of \$57. Each application for issuing, renewing, or extending the license of a school administrator or supervisor must be accompanied by a processing fee in

the amount set by the Board of Teaching. The processing fee for a teacher's license and for the licenses of supervisory personnel must be paid to the executive secretary of the appropriate board. The executive secretary of the board shall deposit the fees with the commissioner of finance. The fees as set by the board are nonrefundable for applicants not qualifying for a license. However, a fee must be refunded by the commissioner of finance in any case in which the applicant already holds a valid unexpired license. The board may waive or reduce fees for applicants who apply at the same time for more than one license.

Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via portfolio to obtain an initial licensure or to add a licensure field, consistent with the applicable Board of Teaching licensure rules.

(b) A candidate for initial licensure must submit to the Educator Licensing Division at the department one portfolio demonstrating pedagogical competence and one portfolio demonstrating content competence.

(c) A candidate seeking to add a licensure field must submit to the Educator Licensing Division at the department one portfolio demonstrating content competence.

(d) A candidate must pay to the executive secretary of the Board of Teaching a \$300 fee for the first portfolio submitted for review and a \$200 fee for any portfolio submitted subsequently. The fees must be paid to the executive secretary of the Board of Teaching. The revenue generated from the fee must be deposited in an education licensure portfolio account in the special revenue fund. The fees set by the Board of Teaching are nonrefundable for applicants not qualifying for a license. The Board of Teaching may waive or reduce fees for candidates based on financial need.

Sec. 3. Minnesota Statutes 2007 Supplement, section 123B.54, is amended to read:

123B.54 DEBT SERVICE APPROPRIATION.

(a) ~~\$14,813,000~~ \$14,814,000 in fiscal year 2008, ~~\$11,124,000~~ \$9,109,000 in fiscal year 2009, ~~\$8,866,000~~ \$7,286,000 in fiscal year 2010, and ~~\$6,631,000~~ \$6,878,000 in fiscal year 2011 and later are appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 123B.53.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 4. Minnesota Statutes 2006, section 123B.59, subdivision 1, is amended to read:

Subdivision 1. **To qualify.** (a) An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

(1) more than 66 students per grade;

(2) over 1,850,000 square feet of space and the average age of building space is 15 years or older or over 1,500,000 square feet and the average age of building space is 35 years or older;

(3) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and

(4) a ten-year facility plan approved by the commissioner according to subdivision 2.

(b) An independent or special school district not eligible to participate in the alternative facilities bonding and levy program under paragraph (a) qualifies for limited participation in the program if the district has:

(1) one or more health and safety projects with an estimated cost of \$500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b); and

(2) insufficient funds from capital facilities revenue to fund those projects.

(c) Notwithstanding the square footage limitation in paragraph (a), clause (2), a school district that qualified for eligibility under paragraph (a) as of July 1, 2007, remains eligible for funding under this section as long as the district continues to meet the requirements of paragraph (a), clauses (1), (3), and (4).

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

Sec. 5. Minnesota Statutes 2006, section 123B.62, is amended to read:

123B.62 BONDS FOR CERTAIN CAPITAL FACILITIES.

(a) In addition to other bonding authority, with approval of the commissioner, a district may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including:

(1) under section 126C.10, subdivision 14, total operating capital revenue uses specified in clauses (4), (6), (7), (8), (9), and (10);

(2) the cost of energy modifications;

(3) improving disability accessibility to school buildings; ~~and~~

(4) bringing school buildings into compliance with life and safety codes and fire codes; and

(5) modifying buildings and equipment for security.

(b) Before a district issues bonds under this subdivision, it must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

(c) A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the district is filed with the school board within 30 days of the board's adoption of a resolution stating the board's intention to issue bonds. The percentage is to be determined with reference to the number of registered voters in the district on the last day before the petition is filed with the board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

(d) The bonds must be paid off within ~~ten~~ 15 years of issuance. The bonds must be issued in compliance with chapter 475, except as otherwise provided in this section. A tax levy must be made for the payment of principal and interest on the bonds in accordance with section 475.61. The sum

of the tax levies under this section and section 123B.61 for each year must not exceed the limit specified in section 123B.61. The levy for each year must be reduced as provided in section 123B.61. A district using an excess amount in the debt redemption fund to retire the bonds shall report the amount used for this purpose to the commissioner by July 15 of the following fiscal year. A district having an outstanding capital loan under section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an excess amount in the debt redemption fund to retire the bonds.

(e) Notwithstanding paragraph (d), bonds issued by a district within the first five years following voter approval of a combination according to section 123A.37, subdivision 2, must be paid off within 20 years of issuance. All the other provisions and limitation of paragraph (d) apply.

Sec. 6. Minnesota Statutes 2006, section 124D.04, subdivision 3, is amended to read:

Subd. 3. **Pupils in adjoining states.** Except as provided under an agreement with an adjoining state under section 124D.041, a non-Minnesota pupil who resides in an adjoining state in a district that borders Minnesota may enroll in a Minnesota district if either the board of the district in which the pupil resides or state in which the pupil resides pays tuition to the district in which the pupil is enrolled.

Sec. 7. Minnesota Statutes 2006, section 124D.04, subdivision 6, is amended to read:

Subd. 6. **Tuition payments.** (a) In each odd-numbered year, before March 1, the commissioner must agree to rates of tuition for Minnesota elementary and secondary pupils attending in other states for the next two fiscal years when the other state agrees to negotiate tuition rates. The commissioner must negotiate equal, reciprocal rates with the designated authority in each state for pupils who reside in an adjoining state and enroll in a Minnesota district. The rates must be at least equal to the tuition specified in section 124D.05, subdivision 1. If the other state does not agree to negotiate a general tuition rate, a Minnesota school district may negotiate a tuition rate with the school district in the other state that sends a pupil to or receives a pupil from the Minnesota school district. The tuition rate for a pupil with a disability must be equal to the actual cost of instruction and services provided. The resident district of a Minnesota pupil attending in another state under this section must pay the amount of tuition agreed upon in this section to the district of attendance, prorated on the basis of the proportion of the school year attended.

(b) Notwithstanding paragraph (a) and subdivision 9, if an agreement is reached between the state of Minnesota and an adjoining state pursuant to section 124D.041, the provisions of section 124D.041 and the agreement shall apply to all enrollment transfers between Minnesota and the adjoining state, and provisions of paragraph (a) and subdivision 9 shall not apply.

Sec. 8. Minnesota Statutes 2006, section 124D.04, subdivision 8, is amended to read:

Subd. 8. **Effective if reciprocal.** This section is effective with respect to ~~South Dakota upon enactment of provisions by South Dakota that the commissioner determines are essentially similar to the provisions for Minnesota pupils in this section. This section is effective with respect to any other~~ bordering state upon enactment of provisions by the bordering state that the commissioner determines are essentially similar to the provisions for Minnesota pupils in this section.

Sec. 9. Minnesota Statutes 2006, section 124D.04, subdivision 9, is amended to read:

Subd. 9. **Appeal to the commissioner.** If a Minnesota school district cannot agree with an adjoining state on a tuition rate for a Minnesota student attending school in that state and that state

has met the requirements in subdivision 8, then the student's parent or guardian may request that the commissioner ~~agree on~~ set a tuition rate for the student. The Minnesota district must pay the amount of tuition the commissioner ~~agrees upon~~ sets.

Sec. 10. [124D.041] RECIPROCITY WITH ADJOINING STATES.

Subdivision 1. **Agreements.** (a) The commissioner may enter into an agreement with the designated authority from an adjoining state to establish an enrollment options program between Minnesota and the adjoining state. Any agreement entered into pursuant to this section must specify the following:

(1) for students who are not residents of Minnesota, the enrollment options program applies only to a student whose resident school district borders Minnesota;

(2) the commissioner must negotiate equal, reciprocal rates with the designated authority from the adjoining state;

(3) if the adjoining state sends more students to Minnesota than Minnesota sends to the adjoining state, the adjoining state must pay the state of Minnesota the rate agreed upon under clause (2) for the excess number of students sent to Minnesota;

(4) if Minnesota sends more students to the adjoining state than the adjoining state sends to Minnesota, the state of Minnesota will pay the adjoining state the rate agreed upon under clause (2) for the excess number of students sent to the adjoining state;

(5) the application procedures for the enrollment options program between Minnesota and the adjoining state;

(6) the reasons for which an application for the enrollment options program between Minnesota and the adjoining may be denied; and

(7) that a Minnesota school district is not responsible for transportation for any resident student attending school in an adjoining state under the provisions of this section. A Minnesota school district may, at its discretion, provide transportation services for such a student.

(b) Any agreement entered into pursuant to this section may specify additional terms relating to any student in need of special education and related services pursuant to chapter 125A. Any additional terms must apply equally to both states.

Subd. 2. **Pupil accounting.** (a) Any student from an adjoining state enrolled in Minnesota pursuant to this section is included in the receiving school district's average daily membership and pupil units according to section 126C.05 as if the student were a resident of another Minnesota school district attending the receiving school district under section 124D.03.

(b) Any Minnesota resident student enrolled in an adjoining state pursuant to this section is included in the resident school district's average daily membership and pupil units according to section 126C.05 as if the student were a resident of the district attending another Minnesota school district under section 124D.03.

Subd. 3. **Procedures.** (a) The Department of Education must establish procedures relating to the application process, the collection or payment of funds under the provisions of any agreement established pursuant to this section, and the collection of data necessary to implement any agreement

established pursuant to this section.

(b) Notwithstanding sections 124A.04 and 124A.05, if an agreement is established between Minnesota and an adjoining state pursuant to this section, the provisions of this section and the agreement shall apply to all enrollment transfers between Minnesota and the adjoining state, and provisions of sections 124D.04 and 124D.05 to the contrary, including provisions relating to tuition payments, shall not apply.

(c) Notwithstanding paragraph (a), any payments to adjoining states under this section shall be made according to section 127A.45, subdivision 16.

(d) Notwithstanding paragraph (b), sections 124D.04, subdivision 6, paragraph (b), and 124D.05, subdivision 2a, the provisions of this section and the agreement shall not apply to: (i) enrollment transfers between Minnesota and a school district in an adjoining state enrolling fewer than 150 pupils that is exempted from participation in the program under the laws of the adjoining state; or (ii) enrollment transfers between Minnesota and a school district in an adjoining state under a board agreement initiated in fiscal year 2009 to serve students in grade levels discontinued by the resident district.

Sec. 11. Minnesota Statutes 2006, section 124D.05, is amended by adding a subdivision to read:

Subd. 2a. **Exception.** Notwithstanding subdivisions 1 and 2, if an agreement is reached between the state of Minnesota and an adjoining state pursuant to section 124D.041, the provisions of section 124D.041 and the agreement shall apply to all enrollment transfers between Minnesota and the adjoining state, and provisions of subdivisions 1 and 2 to the contrary, including provisions relating to tuition payments, shall not apply.

Sec. 12. Minnesota Statutes 2006, section 124D.118, subdivision 4, is amended to read:

Subd. 4. **Reimbursement.** In accordance with program guidelines, the commissioner shall reimburse each participating public or nonpublic school ~~14~~ 20 cents for each half-pint of milk that is served to kindergarten students and is not part of a school lunch or breakfast reimbursed under section 124D.111 or 124D.1158.

Sec. 13. [124D.141] STATE ADVISORY COUNCIL ON EARLY CHILDHOOD EDUCATION AND CARE.

Subdivision 1. **Membership; Duties.** Two members of the house of representatives, one appointed by the speaker and one appointed by the minority leader; and two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority; and two parents with a child under age six, shall be added to the membership of the State Advisory Council on Early Education and Care. The council must fulfill the duties required under the federal Improving Head Start for School Readiness Act of 2007 as provided in Public Law 110-134.

Subd. 2. **Additional duties.** The following duties are added to those assigned to the council under federal law:

(1) make recommendations on the most efficient and effective way to leverage state and federal funding streams for early childhood and child care programs;

(2) make recommendations on how to coordinate or colocate early childhood and child care programs in one state Office of Early Learning;

(3) review program evaluations regarding high-quality early childhood programs; and

(4) make recommendations to the governor and legislature, including proposed legislation on how to most effectively create a high quality early childhood system in Minnesota in order to improve the educational outcomes of children so that all children are school-ready by 2020.

Subd. 3. **Administration.** An amount up to \$12,500 from federal child care and development fund administrative funds and up to \$12,500 from prekindergarten exploratory project funds appropriated under Laws 2007, chapter 147, article 19, section 3, may be used to reimburse the parents on the council and for technical assistance and administrative support of the State Advisory Council on Early Childhood Education and Care. This funding stream is for fiscal year 2009. The council may pursue additional funds from state, federal, and private sources. If additional operational funds are received, the council must reduce the amount of prekindergarten exploratory project funds used in an equal amount.

Sec. 14. Minnesota Statutes 2007 Supplement, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education aid for fiscal year 2006 equals \$36,587,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2007 equals \$37,673,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2008 equals \$40,650,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

(2) the lesser of:

(i) 1.03; or

(ii) ~~the greater of 1.00 or the ratio of the state total contact hours in the first prior program year to the state total contact hours in the second prior program year~~ the average growth in state total contact hours over the prior 10 program years.

Beginning in fiscal year 2002, two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

Sec. 15. Minnesota Statutes 2006, section 124D.55, is amended to read:

124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.

The commissioner shall pay 60 percent of the fee that is charged to an eligible individual for the full battery of a general education development (GED) test, but not more than ~~\$20~~ \$40 for an eligible individual.

Sec. 16. Minnesota Statutes 2006, section 125A.65, subdivision 4, is amended to read:

Subd. 4. **Unreimbursed costs.** (a) For fiscal year 2006, in addition to the tuition charge allowed in subdivision 3, the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, after deducting the special education aid under section 125A.76, attributable to the child, if that aide is required by the child's individual education plan. Tuition received under this paragraph must be used by the academies to provide the required service.

(b) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the academies shall be increased by the academy's unreimbursed cost of providing an one to one instructional aide and behavioral management aides assigned to a child, after deducting the special education aid under section 125A.76 attributable to the child, ~~if that aide is~~ the aides are required by the child's individual education plan. Aid received under this paragraph must be used by the academies to provide the required service.

(c) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the district of the child's residence shall be reduced by the amount paid to the academies for district residents under paragraph (b).

(d) Notwithstanding section 127A.45, subdivision 3, beginning in fiscal year 2008, the commissioner shall make an estimated final adjustment payment to the Minnesota State Academies for general education aid and special education aid for the prior fiscal year by August 15.

(e) For fiscal year 2007, the academies may retain receipts received through mutual agreements with school districts for one to one behavior management aides.

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

Sec. 17. Minnesota Statutes 2006, section 125A.65, is amended by adding a subdivision to read:

Subd. 11. **Third-party reimbursement.** The Minnesota State Academies must seek reimbursement under section 125A.21 from third parties for the cost of services provided by the Minnesota State Academies whenever the services provided are otherwise covered by a child's public or private health plan.

EFFECTIVE DATE. This section is effective the day following final enactment for revenue in fiscal years 2008 and later.

Sec. 18. Minnesota Statutes 2007 Supplement, section 125A.76, subdivision 2, is amended to read:

Subd. 2. **Special education initial aid.** The special education initial aid equals the sum of the following amounts computed using current year data:

(1) 68 percent of the salary of each essential person employed in the district's program for children with a disability during the fiscal year, whether the person is employed by one or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

(2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy for the Blind, 68 percent of the salary of each one to one instructional and behavior management aide assigned to a child attending the academy, if ~~that aide is~~ the aides are required by the child's individual education plan;

(3) for special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and services provided by the district, 52 percent of the difference between the amount of the contract and the general education revenue, excluding basic skills revenue and alternative teacher compensation revenue, and referendum equalization aid attributable to a pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit for the fraction of the school day the pupil receives services under the contract. This includes children who are residents of the state, receive services under this subdivision and subdivision 1, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.155 as provided for in section 125A.79, subdivision 8;

(4) for special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract for that pupil;

(5) for supplies and equipment purchased or rented for use in the instruction of children with a disability, an amount equal to 47 percent of the sum actually expended by the district, or a Minnesota correctional facility operating on a fee-for-service basis, but not to exceed an average of \$47 in any one school year for each child with a disability receiving instruction;

(6) for fiscal years 1997 and later, special education base revenue shall include amounts under clauses (1) to (5) for special education summer programs provided during the base year for that fiscal year;

(7) the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4); and

(8) the district's transition-disabled program initial aid according to section 124D.454, subdivision 3.

The department shall establish procedures through the uniform financial accounting and reporting system to identify and track all revenues generated from third-party billings as special education revenue at the school district level; include revenue generated from third-party billings as special education revenue in the annual cross-subsidy report; and exclude third-party revenue from calculation of excess cost aid to the districts.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2008.

Sec. 19. Minnesota Statutes 2006, section 125A.76, is amended by adding a subdivision to read:

Subd. 4a. Adjustments for tuition reciprocity with adjoining states. (a) If an agreement is

reached between the state of Minnesota and an adjoining state pursuant to section 124D.041 that requires a special education tuition payment from the state of Minnesota to the adjoining state, the tuition payment shall be made from the special education aid appropriation for that year, and the state total special education aid under subdivision 4 shall be reduced by the amount of the payment.

(b) If an agreement is reached between the state of Minnesota and an adjoining state pursuant to section 124D.041 that requires a special education tuition payment from an adjoining state to the state of Minnesota, the special education aid appropriation for that year and the state total special education aid under subdivision 4 shall be increased by the amount of the payment.

(c) If an agreement is reached between the state of Minnesota and an adjoining state pursuant to section 124D.041 that requires special education tuition payments to be made between the two states and not between districts in the two states, the special education aid for a Minnesota school district serving a student with a disability from the adjoining state shall be calculated according to section 127A.47, subdivision 7, except that no reduction shall be made in the special education aid paid to the resident district.

Sec. 20. Minnesota Statutes 2006, section 126C.10, subdivision 31, is amended to read:

Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the greater of zero or the product of the ratio of the number of adjusted marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference between: (1) the lesser of the district's general education revenue per adjusted marginal cost pupil unit for fiscal year 2003 or the amount of general education revenue the district would have received per adjusted marginal cost pupil unit for fiscal year 2004 according to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

(b) A district's transition revenue for fiscal year ~~years~~ 2006 ~~and later~~ through 2009 equals the sum of the product of the district's transition allowance times the district's adjusted marginal cost pupil units plus the district's transition for prekindergarten revenue under subdivision 31a.

(c) A district's transition revenue for fiscal year 2010 and later equals the sum of the product of the district's transition allowance times the district's adjusted marginal cost pupil units plus the district's transition for prekindergarten revenue under subdivision 31a plus the district's transition for tuition reciprocity revenue under subdivision 31c.

Sec. 21. Minnesota Statutes 2006, section 126C.10, is amended by adding a subdivision to read:

Subd. 31c. **Transition for tuition reciprocity revenue.** For the first year that a tuition reciprocity agreement with an adjoining state is in effect under section 124D.041 and later, a school district's transition for tuition reciprocity revenue equals the greater of zero or the difference between the sum of the general education revenue and net tuition revenue the district would have received for pupils enrolled under section 124D.041 for the first year the agreement is in effect if the agreement had not been in effect, and the sum of the district's general education revenue and net tuition revenue for the first year the agreement is in effect.

Sec. 22. Minnesota Statutes 2006, section 126C.17, subdivision 9, is amended to read:

Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10, subdivision

1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the board or shall be called by the board upon written petition of qualified voters of the district. The referendum must be conducted one or two calendar years before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in November. The ballot must state the maximum amount of the increased revenue per resident marginal cost pupil unit. The ballot may state a schedule, determined by the board, of increased revenue per resident marginal cost pupil unit that differs from year to year over the number of years for which the increased revenue is authorized or may state that the amount shall increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot must designate the specific number of years, not to exceed ten, for which the referendum authorization applies. The ballot, including a ballot on the question to revoke or reduce the increased revenue amount under paragraph (c), must abbreviate the term "per resident marginal cost pupil unit" as "per pupil." The notice required under section 275.60 may be modified to read, in cases of renewing existing levies at the same amount per pupil as in the previous year:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU MAY ~~BE VOTING FOR A PROPERTY TAX INCREASE~~ ARE VOTING TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS SCHEDULED TO EXPIRE."

The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of, School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per resident marginal cost pupil unit times the resident marginal cost pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The board must prepare and deliver by first class mail at least 15 days but no more than 30 days before the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project

the anticipated amount of increase over the existing referendum levy in the first year, if any, in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes." However, in cases of renewing existing levies, the notice may include the following statement: "Passage of this referendum ~~may result in an increase in your property taxes~~ extends an existing operating referendum at the same amount per pupil as in the previous year."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the board and shall be called by the board upon the written petition of qualified voters of the district. A referendum to revoke or reduce the revenue amount must state the amount per resident marginal cost pupil unit by which the authority is to be reduced. Revenue authority approved by the voters of the district pursuant to paragraph (a) must be available to the school district at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) is effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the district on the day the petition is filed with the board. A referendum invoked by petition must be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days before the day of the referendum, the district must submit a copy of the notice required under paragraph (b) to the commissioner and to the county auditor of each county in which the district is located. Within 15 days after the results of the referendum have been certified by the board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district must notify the commissioner of the results of the referendum.

EFFECTIVE DATE. This section is effective for elections conducted on or after July 1, 2008.

Sec. 23. Minnesota Statutes 2006, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the

financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed ~~\$100~~ \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

- (1) the school district has been experiencing pupil enrollment growth in the preceding five years;
- (2) the purpose of the increased levy is in the long-term public interest;
- (3) the purpose of the increased levy promotes collocation of government services; and
- (4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with leases of administrative and classroom space for intermediate school district programs. This authority must not exceed ~~\$25~~ \$43 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section.

(i) In addition to the allowable capital levies in paragraph (a), a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it

economically advantageous to enter into a lease purchase agreement for a building for a group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e).

Sec. 24. Minnesota Statutes 2007 Supplement, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

(a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$30 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

(b) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$10 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.

(c) ~~If~~ A school district ~~spends~~ must set aside at least \$3 per adjusted marginal cost pupil unit of the safe schools levy proceeds for the purposes authorized under paragraph (a), clause (6). The district must annually certify that its total spending on services provided by the employees listed in paragraph (a), clause (6), is not less than the sum of its expenditures for these purposes, excluding amounts spent under this section, in the previous year plus the amount spent under this section.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2010.

Sec. 25. Minnesota Statutes 2006, section 126C.45, is amended to read:

126C.45 ICE ARENA LEVY.

(a) Each year, an independent school district operating and maintaining an ice arena, may levy for the net operational costs of the ice arena. The levy may not exceed ~~90 percent~~ of the net actual

costs of operation of the arena for the previous year. Net actual costs are defined as operating costs less any operating revenues.

(b) Any district operating and maintaining an ice arena must demonstrate to the satisfaction of the Office of Monitoring in the department that the district will offer equal sports opportunities for male and female students to use its ice arena, particularly in areas of access to prime practice time, team support, and providing junior varsity and younger level teams for girls' ice sports and ice sports offerings.

Sec. 26. Minnesota Statutes 2006, section 126C.51, is amended to read:

126C.51 APPLICATION OF LIMITING TAX LEGISLATION.

Notwithstanding the provisions of section 471.69 or 471.75, or of any other provision of law which by per capita limitation, local tax rate limitation, or otherwise, limits the power of a district to incur any debt or to issue any warrant or order, a school district or intermediate school district has the powers in sections 126C.50 to 126C.56 specifically conferred upon it and all powers incident and necessary to carrying out the purposes of sections 126C.50 to 126C.56.

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

Sec. 27. Minnesota Statutes 2006, section 126C.52, subdivision 2, is amended to read:

Subd. 2. **Limitations.** The board of any school district may also borrow money in the manner and subject to the limitations set forth in sections 126C.50 to 126C.56 in anticipation of receipt of state aids for schools as defined in Minnesota Statutes and of federal school aids to be distributed by or through the department. The aggregate of such borrowings under this subdivision shall never exceed 75 percent of such aids which are receivable by said school district in the school fiscal year (from July 1 to June 30) in which the money is borrowed, as estimated and certified by the commissioner.

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

Sec. 28. Minnesota Statutes 2006, section 126C.52, is amended by adding a subdivision to read:

Subd. 3. **Intermediate school districts.** (a) The board of an intermediate school district may borrow money in the manner and subject to the limitations set forth in sections 126C.50 to 126C.56 in anticipation of the receipt of:

- (1) state aids for schools as defined in Minnesota Statutes;
- (2) federal school aids to be distributed by or through the department; and
- (3) membership fees and tuition payments from its member school districts.

The aggregate of such borrowings under this subdivision shall never exceed 75 percent of such aids, fees, and tuition payments which are receivable by the intermediate school district in the fiscal year in which the money is borrowed, as estimated and certified by the commissioner.

(b) The board of an intermediate school district may, upon receipt of a written resolution by each of its member school districts, pledge the member district's full faith and credit and unlimited taxing powers to repay each member district's pro rata share of any certificates issued or the amount paid by the state under section 126C.55, subdivision 2, plus interest, if the revenues specified in

paragraph (a) and any other revenues of the intermediate school district are insufficient to do so.

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

Sec. 29. Minnesota Statutes 2006, section 126C.53, is amended to read:

126C.53 ENABLING RESOLUTION; FORM OF CERTIFICATES OF INDEBTEDNESS.

The board of a school district or intermediate school district may authorize and effect such borrowing, and may issue such certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems such borrowing is necessary. The resolution must be adopted by a vote of at least two-thirds of its members. The board must fix the amount, date, maturity, form, denomination, and other details of the certificates of indebtedness, not inconsistent with this chapter. The board must fix the date and place for receipt of bids for the purchase of the certificates when bids are required and direct the clerk to give notice of the date and place for bidding.

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

Sec. 30. Minnesota Statutes 2006, section 126C.55, is amended to read:

126C.55 STATE PAYMENT OF DEBT OBLIGATION UPON POTENTIAL DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.

Subdivision 1. **Definitions.** For the purposes of this section, the term "debt obligation" means:

- (1) a ~~tax or aid anticipation~~ certificate of indebtedness issued under section 126C.52;
- (2) a certificate of participation issued under section 126C.40, subdivision 6; or
- (3) a general obligation bond.

Subd. 2. **Notifications; payment; appropriation.** (a) If a school district or intermediate school district believes that it may be unable to make a principal or interest payment on any outstanding debt obligation on the date that payment is due, it must notify the commissioner as soon as possible, but not less than 15 working days before the date that principal or interest payment is due. The notice must include the name of the school district or intermediate school district, an identification of the debt obligation issue in question, the date the payment is due, the amount of principal and interest due on the payment date, the amount of principal or interest that the school district or intermediate school district will be unable to repay on that date, the paying agent for the debt obligation, the wire transfer instructions to transfer funds to that paying agent, and an indication as to whether a payment is being requested by the school district or intermediate school district under this section. If a paying agent becomes aware of a potential default, it shall inform the commissioner of that fact. After receipt of a notice which requests a payment under this section, after consultation with the school district or intermediate school district and the paying agent, and after verification of the accuracy of the information provided, the commissioner shall notify the commissioner of finance of the potential default. The notice must include a final figure as to the amount due that the school district or intermediate school district will be unable to repay on the date due.

(b) Except as provided in subdivision 9, upon receipt of this notice from the commissioner, the commissioner of finance shall issue a warrant and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due. The amounts

needed for the purposes of this subdivision are annually appropriated to the department from the state general fund.

(c) The Departments of Education and Finance must jointly develop detailed procedures for school districts and intermediate school districts to notify the state that they have obligated themselves to be bound by the provisions of this section, procedures for school districts or intermediate school districts and paying agents to notify the state of potential defaults and to request state payment under this section, and procedures for the state to expedite payments to prevent defaults. The procedures are not subject to chapter 14.

Subd. 3. **School district bound; interest rate on state paid amount.** If, at the request of a school district or intermediate school district, the state has paid part or all of the principal or interest due on a district's debt obligation on a specific date, the school district or intermediate school district is bound by all provisions of this section and the amount paid shall bear taxable interest from the date paid until the date of repayment at the invested cash rate as it is certified by the commissioner of finance. Interest shall only accrue on the amounts paid and outstanding less the reduction in aid under subdivision 4 and other payments received from the district.

Subd. 4. **Pledge of district's full faith and credit.** If, at the request of a school district or intermediate school district, the state has paid part or all of the principal or interest due on a district's debt obligation on a specific date, the pledge of the full faith and credit and unlimited taxing powers of the school district or the member districts of the intermediate district to repay the principal and interest due on those debt obligations shall also, without an election or the requirement of a further authorization, become a pledge of the full faith and credit and unlimited taxing powers of the school district or the member districts of the intermediate district to repay to the state the amount paid, with interest. Amounts paid by the state must be repaid in the order in which the state payments were made.

Subd. 4a. **Aid reduction for repayment.** (a) Except as provided in this subdivision, the state must reduce the state aid payable to the school district or intermediate school district under this chapter and chapters 122A, 123A, 123B, 124D, 125A, 126C, and 273 by the amount paid by the state under this section on behalf of the district, plus the interest due on it, and the amount reduced must revert from the appropriate account to the state general fund. Payments from the school district endowment fund or any federal aid payments shall not be reduced.

(b) For an intermediate school district, the state aid payable to the intermediate school district must first be reduced, before any reduction is made to the state aids payable to the member districts. If the state aid payable to the intermediate school district is not sufficient to repay the state, state aid payable to member districts may be reduced proportionately based on the ratio of each member district's adjusted net tax capacity to the total adjusted net tax capacity of all member districts.

(c) If, after review of the financial situation of the school district or intermediate school district, the commissioner advises the commissioner of finance that a total reduction of aids would cause an undue hardship on or an undue disruption of the educational program of the district, the commissioner, with the approval of the commissioner of finance, may establish a different schedule for reduction of aids to repay the state. The amount of aids to be reduced is decreased by any amounts repaid to the state by the district from other revenue sources.

Subd. 6. **Tax levy for repayment.** (a) With the approval of the commissioner, a district may levy in the year the state makes a payment under this section an amount up to the amount necessary

to provide funds for the repayment of the amount paid by the state plus interest through the date of estimated repayment by the district. The proceeds of this levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or shall be deposited in the debt redemption fund of the school district. This levy shall be an increase in the levy limits of the district for purposes of section 275.065, subdivision 6. The amount of aids to be reduced to repay the state shall be decreased by the amount levied. This levy by the district is not eligible for debt service equalization under section 123B.53.

(b) If the state is not repaid in full for a payment made under this section by November 30 of the calendar year following the year in which the state makes the payment, the commissioner shall require the district to certify a property tax levy in an amount up to the amount necessary to provide funds for repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. To prevent undue hardship, the commissioner may allow the district to certify the levy over a five-year period. The proceeds of the levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or shall be deposited in the debt redemption fund of the district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. If the commissioner orders the district to levy, the amount of aids reduced to repay the state shall be decreased by the amount levied. This levy by the district is not eligible for debt service equalization under section 123B.53 or any successor provision. A levy under this subdivision must be explained as a specific increase at the meeting required under section 275.065, subdivision 6.

(c) For an intermediate district, a levy made by a member district under paragraph (a) or (b) to pay its pro rata share must be spread by the commissioner as a tax rate based on the total adjusted net tax capacity of the member school districts. The proceeds of the levy must be remitted by the member school district to the intermediate school district and must be used by the intermediate district only to repay the state amounts owed. Any amount in excess of the amount owed to the state must be repaid to the member school districts and the commissioner shall adjust each member district's property tax levy in the next year.

Subd. 7. Election as to mandatory application. A school district or intermediate school district may covenant and obligate itself, prior to the issuance of an issue of debt obligations, to notify the commissioner of a potential default and to use the provisions of this section to guarantee payment of the principal and interest on those debt obligations when due. If the district obligates itself to be bound by this section, it must covenant in the resolution that authorizes the issuance of the debt obligations to deposit with the paying agent three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the commissioner under subdivision 1 that it will be unable to make all or a portion of that payment. A district that has obligated itself must include a provision in its agreement with the paying agent for that issue that requires the paying agent to inform the commissioner if it becomes aware of a potential default in the payment of principal or interest on that issue or if, on the day two business days prior to the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent. Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are deemed to be on deposit with the paying agent three business days before the payment date. If a district either covenants to be bound by this section or accepts state payments under this section to prevent a default of a particular issue

of debt obligations, the provisions of this section shall be binding as to that issue as long as any debt obligation of that issue remain outstanding. If the provisions of this section are or become binding for more than one issue of debt obligations and a district is unable to make payments on one or more of those issues, the district must continue to make payments on the remaining issues.

Subd. 8. **Mandatory plan; technical assistance.** If the state makes payments on behalf of a school district or intermediate school district under this section or the district defaults in the payment of principal or interest on an outstanding debt obligation, it must submit a plan to the commissioner for approval specifying the measures it intends to implement to resolve the issues which led to its inability to make the payment and to prevent further defaults. The department must provide technical assistance to the district in preparing its plan. If the commissioner determines that a district's plan is not adequate, the commissioner shall notify the district that the plan has been disapproved, the reasons for the disapproval, and that the state shall not make future payments under this section for debt obligations issued after the date specified in that notice until its plan is approved. The commissioner may also notify the district that until its plan is approved, other aids due the district will be withheld after a date specified in the notice.

Subd. 9. **State bond rating.** If the commissioner of finance determines that the credit rating of the state would be adversely affected thereby, the commissioner of finance shall not issue warrants under subdivision 2 for the payment of principal or interest on any debt obligations for which a district did not, prior to their issuance, obligate itself to be bound by the provisions of this section.

Subd. 10. **Continuing disclosure agreements.** The commissioner of finance may enter into written agreements or contracts relating to the continuing disclosure of information needed to facilitate the ability of school districts or intermediate school districts to issue debt obligations according to federal securities laws, rules, and regulations, including securities and exchange commission rules and regulations, section 240.15c2-12. Such agreements or contracts may be in any form the commissioner of finance deems reasonable and in the state's best interests.

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

Sec. 31. Minnesota Statutes 2006, section 127A.45, subdivision 16, is amended to read:

Subd. 16. **Payments to third parties.** Notwithstanding subdivision 3, the current year aid payment percentage of the amounts under section 123A.26, subdivision 3 and section 124D.041, shall be paid in equal installments on August 30, December 30, and March 30, with a final adjustment payment on October 30 of the next fiscal year of the remaining amount.

Sec. 32. Minnesota Statutes 2007 Supplement, section 127A.49, subdivision 2, is amended to read:

Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86, 375.192, or otherwise, the net tax capacity or referendum market value of any district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 126C.46. The amount of the

abatement adjustment must be the product of:

(1) the net revenue loss as certified by the county auditor, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy in the third preceding year according to the following:

(A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

~~(E) section 126C.13, if the district received general education aid according to section 126C.13, subdivision 4, paragraph (b), clause (1), of that section in the second preceding year;~~

~~(F)~~ (E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

~~(G)~~ (F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

~~(H)~~ (G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

~~(I)~~ (H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

~~(J)~~ (I) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year;

~~(K)~~ (J) section 123B.591, subdivision 3, if the district received deferred maintenance aid according to section 123B.591, subdivision 4, in the second preceding year; and

~~(L)~~ (K) section 126C.10, subdivision 35, if the district received alternative teacher compensation equalization aid according to section 126C.10, subdivision 36, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy in the third preceding December, plus or minus auditor's adjustments.

Sec. 33. Minnesota Statutes 2007 Supplement, section 127A.49, subdivision 3, is amended to read:

Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon decertification of

a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(b) An amount must be subtracted from the district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the district, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

~~(E) section 126C.13, if the district received general education aid according to section 126C.13, subdivision 4, paragraph (b), clause (1), of that section in the second preceding year;~~

~~(F)~~ (E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

~~(G)~~ (F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

~~(H)~~ (G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

~~(I)~~ (H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

~~(J)~~ (I) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year;

~~(K)~~ (J) section 123B.591, subdivision 3, if the district received deferred maintenance aid according to section 123B.591, subdivision 4, in the second preceding year; and

~~(L)~~ (K) section 126C.10, subdivision 35, if the district received alternative teacher compensation equalization aid according to section 126C.10, subdivision 36, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(c) An amount must be subtracted from the school district's levy limitation for the next levy

certified equal to the difference between:

- (1) the amount of the distribution of excess increment; and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district must use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

(d) This subdivision applies only to the total amount of excess increments received by a district for a calendar year that exceeds \$25,000.

Sec. 34. Laws 2007, chapter 146, article 2, section 46, subdivision 13, is amended to read:

Subd. 13. Preadvanced placement, advanced placement, international baccalaureate, and concurrent enrollment programs. For preadvanced placement, advanced placement, international baccalaureate, and concurrent enrollment programs under Minnesota Statutes, sections 120B.132 and 124D.091:

\$	6,500,000	.....	2008
\$	6,500,000	.....	2009

Of this amount, \$2,500,000 each year is for concurrent enrollment program aid under Minnesota Statutes, section 124D.091. If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each district. Any balance in the first year does not cancel but is available in the second year.

The base appropriation for fiscal year 2010 and later is \$2,000,000.

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

Sec. 35. Laws 2007, chapter 146, article 2, section 46, subdivision 14, is amended to read:

Subd. 14. Collaborative urban educator. For the collaborative urban educator ~~grants under Minnesota Statutes, section 122A.641~~ program:

\$	528,000	.....	2008
\$	528,000	.....	2009

\$210,000 each year is for the Southeast Asian teacher program at Concordia University, St. Paul; \$159,000 each year is for the collaborative urban educator program at the University of St. Thomas; and \$159,000 each year is for the Center for Excellence in Urban Teaching at Hamline University. Grant recipients must collaborate with urban and nonurban school districts.

Any balance in the first year does not cancel but is available in the second year.

Sec. 36. Laws 2007, chapter 146, article 2, section 46, subdivision 20, is amended to read:

Subd. 20. College-level examination program (CLEP). For the college-level examination program (CLEP) under Minnesota Statutes, section 120B.131:

	1,650,000		
\$	<u>850,000</u>	.....	2008
	1,650,000		
\$	<u>500,000</u>	.....	2009

Any balance in the first year does not cancel but is available in the second year. This is a onetime appropriation.

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

Sec. 37. Laws 2007, chapter 146, article 3, section 23, subdivision 2, is amended to read:

Subd. 2. **Report.** (a) The task force must submit to the education policy and finance committees of the legislature by February 15, 2008 2009, a report that identifies and clearly and concisely explains each provision in state law or rule that exceeds or expands upon a minimum federal requirement contained in law or regulation for providing special education programs and services to eligible students. The report also must recommend which state provisions statutes and rules that exceed or expand upon a minimum federal requirement may be amended to conform with minimum federal requirements or made more effective as determined by a majority of the task force members. The task force must recommend rules governing the use of aversive and deprivation procedures by school district employees or persons under contract with a school district. The task force expires when it submits its report to the legislature.

(b) Consistent with subdivision 1, the Department of Education member of the task force representing regulators shall be replaced with a parent advocate selected by a statewide organization that advocates on behalf of families with children with disabilities.

(c) The Department of Education must provide technical assistance at the request of the task force.

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

Sec. 38. Laws 2007, chapter 146, article 3, section 24, subdivision 9, is amended to read:

Subd. 9. **Special Education Task Force.** For the task force to compare federal and state special education requirements:

\$	20,000 <u>40,000</u>	2008
----	---------------------------------	-------	------

Any balance in the first year does not cancel but is available in the second year.

This is a onetime appropriation.

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

Sec. 39. Laws 2007, chapter 146, article 5, section 11, subdivision 1, is amended to read:

Subdivision 1. **Fiscal year 2007 replacement aid.** Independent School District No. 2899, Plainview-Elgin-Millville, is eligible for replacement aid revenue to offset its excess fund balance penalty for fiscal year 2007. The aid adjustment must be made under Laws 2007, chapter 146, article 5, section 13, subdivision 5. The levy adjustment of \$6,600 must be included as part of the

district's property taxes for taxes payable in 2009.

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

Sec. 40. Laws 2007, chapter 146, article 5, section 13, subdivision 3, is amended to read:

Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and 124D.118:

	5,460,000		
\$	<u>5,583,000</u>	.....	2008
	5,695,000		
\$	<u>6,396,000</u>	.....	2009

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

Sec. 41. Laws 2007, chapter 146, article 7, section 4, is amended to read:

Sec. 4. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Department.** (a) For the Department of Education:

\$	22,169,000	.....	2008
	22,653,000		
\$	<u>21,811,000</u>	.....	2009

Any balance in the first year does not cancel but is available in the second year.

(b) \$7,000 in fiscal year 2008 is for GRAD test rulemaking.

(c) \$7,000 in fiscal year 2008 is for rulemaking under section 3.

(d) \$40,000 each year is for an early hearing loss intervention coordinator under Minnesota Statutes, section 125A.63, subdivision 5. If the department expends federal funds to employ a hearing loss coordinator under Minnesota Statutes, section 125.63, subdivision 5, then the appropriation under this paragraph is reallocated for purposes of employing a world languages coordinator.

(e) \$260,000 each year is for the Minnesota Children's Museum.

(f) \$41,000 each year is for the Minnesota Academy of Science.

(g) \$619,000 in fiscal year 2008 and \$632,000 in fiscal year 2009 are for the Board of Teaching.

(h) \$163,000 in fiscal year 2008 and \$171,000 in fiscal year 2009 are for the Board of School Administrators.

(i) \$50,000 each year is for the Duluth Children's Museum.

(j) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(k) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(l) \$50,000 in fiscal year 2009 is for an advisory task force for determining how the educational achievement of low-income students and students of color is impacted by education issues related to rigorous preparation and coursework, educators' professional development, English language learners, special education, GRAD tests, and the use of valid and reliable data on student preparation for postsecondary academic and career opportunities. This amount is not added to the base appropriation for fiscal year 2010 and later. The department shall not expend any funds unless a match of an equal amount of nonstate funds has been received for this purpose.

(m) The base for fiscal year 2010 and later is \$21,761,000.

Sec. 42. Laws 2007, chapter 146, article 9, section 17, subdivision 4, is amended to read:

Subd. 4. **Health and developmental screening aid.** For health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

	<u>3,159,000</u>		
\$	<u>2,624,000</u>	.....	2008
	<u>3,330,000</u>		
\$	<u>3,592,000</u>	.....	2009

The 2008 appropriation includes \$288,000 for 2007 and ~~\$2,871,000~~ \$2,336,000 for 2008.

The 2009 appropriation includes ~~\$319,000~~ \$259,000 for 2008 and ~~\$3,011,000~~ \$3,333,000 for 2009.

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

Sec. 43. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation** **\$ ~~584,000~~ 148,000**

The appropriations in this section are from the general fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Sec. 44. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision 2, is amended to read:

Subd. 2. **Independent School District No. 239, Rushford-Peterson**

(a) **Flood Enrollment Impact Aid** 89,000

The commissioner of education shall pay to the school district flood enrollment impact aid equal to \$5,394 times the number of pupils lost as a result of the floods of August 2007. The district must provide to the commissioner of education documentation of the number of pupils in average daily membership lost as a result of the flood.

(b) ~~Disaster Relief Facilities Grant~~

250,000

~~For facilities cleanup, repair, and replacement costs related to the floods of August 2007 not covered by the district's insurance settlement or through Federal Emergency Management Agency payments. The commissioner of education may request the school district to provide necessary information before awarding a grant.~~

(c) ~~Pupil Transportation Aid~~

40,000

~~For increased costs associated with transporting students as a result of the floods of August 2007.~~

Sec. 45. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision 6, is amended to read:

Subd. 6. **Disaster Relief Facilities Grants to Other Districts**

90,000 14,000

For facilities cleanup, repair, and replacement costs related to the floods of August 2007 not covered by the district's insurance settlement or through Federal Emergency Management Agency payments. The commissioner of education may request the school district to provide necessary information before awarding a grant. School districts not included in subdivisions 2 to 5 must be given priority in the allocation of this appropriation.

Sec. 46. **FUND TRANSFERS.**

Subdivision 1. **Capital account transfers.** Notwithstanding any law to the contrary, on June 30, 2008, a school district may transfer money from its reserved for operating capital account to its undesignated balance in the general fund. The amount transferred by any school district must not exceed \$51 times the district's adjusted marginal cost pupil units for fiscal year 2007. This transfer

may occur only after the school board has adopted a written resolution stating the amount of the transfer and declaring that the school district's operating capital needs are being met.

Subd. 2. **Balaton school district.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, or subdivision 1, on June 30, 2008, Independent School District No. 411, Balaton, may transfer up to \$70,000 from its reserved for operating capital account to its undesignated general fund balance.

Subd. 3. **East Central school district.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, or subdivision 1, on June 30, 2008, Independent School District No. 2580, East Central, may transfer up to \$300,000 from its reserved for operating capital account to its undesignated general fund balance.

Subd. 4. **Hills-Beaver Creek school district.** (a) Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, on June 30, 2008, Independent School District No. 671, Hills-Beaver Creek, may transfer up to \$260,000 from its reserved for disabled accessibility account to its undesignated general fund balance without making a levy reduction.

(b) Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, on June 30, 2008, Independent School District No. 671, Hills-Beaver Creek, may transfer up to \$100,000 from its reserved for operating capital account to its undesignated general fund balance without making a levy reduction.

Subd. 5. **Rocori school district.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, on June 30, 2008, Independent School District No. 750, Rocori, may transfer up to \$82,000 from its reserved for disabled accessibility account to its undesignated general fund balance without making a levy reduction.

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

Sec. 47. ONETIME GENERAL EDUCATION REVENUE INCREASE; FISCAL YEAR 2009 ONLY.

A school district's general education revenue under Minnesota Statutes, section 126C.10, is increased for fiscal year 2009 only by an amount equal to \$51 times the district's adjusted marginal cost pupil units for that year.

Sec. 48. PRIORITY FOR NEW ALTERNATIVE COMPENSATION SCHOOL DISTRICTS AND CHARTER SCHOOLS, FISCAL YEARS 2009 TO 2010.

(a) Notwithstanding Minnesota Statutes, sections 122A.413; 122A.414; 122A.415; 122A.416; and 126C.10, subdivisions 34, 35, and 36, for fiscal years 2009 and 2010 only, for school sites, school districts, or charter schools that had not applied as of March 20, 2008, to participate in the alternative teacher pay program, the Department of Education must authorize alternative compensation funding for applicants according to paragraphs (b) and (c).

(b) For fiscal year 2009, the Department of Education shall qualify eligible school sites, school districts, and charter schools for alternative compensation revenue in the order of receipt of applications received after March 20, 2008, provided that the total alternative compensation aid entitlement authorized under this paragraph does not exceed \$11,397,000.

(c) In addition to the amounts authorized in paragraph (b), for fiscal year 2010, the Department of Education shall qualify eligible school sites, school districts, and charter schools for alternative compensation revenue in the order of receipt of applications received after March 20, 2008, provided that the total alternative compensation aid entitlement authorized under this paragraph does not exceed \$2,899,000.

Sec. 49. VIRGINIA SCHOOL DISTRICT; EMERGENCY REPAIRS.

Independent School District No. 701, Virginia, may levy up to \$100,000 for emergency facilities repairs. This authority is in addition to any other levy authority granted to the district. The levy proceeds received under this section must be recognized in fiscal year 2009.

EFFECTIVE DATE. This section is effective for taxes payable in 2009 only.

Sec. 50. EQUALIZING FACTORS.

The commissioner shall adjust each referendum market value equalizing factor established under Minnesota Statutes, chapter 126C, by dividing the equalizing factor by the ratio of the statewide referendum market value as calculated using the definition of referendum market value that was in effect prior to the 2008 legislative session for assessment year 2008 to the statewide referendum market value that is in effect after the 2008 legislative session for that assessment year.

EFFECTIVE DATE. This section is effective for taxes levied in 2009, payable in 2010, and thereafter.

Sec. 51. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the Department of Education for the fiscal years designated.

Subd. 2. **Additional general education revenue.** For additional general education aid:

<u>\$</u>	<u>26,804,000</u>	<u>.....</u>	<u>2009</u>
-----------	-------------------	--------------	-------------

This appropriation is in addition to any other appropriation for this purpose.

This 2009 appropriation includes \$0 for 2008 and \$26,804,000 for 2009.

Subd. 3. **Independent School District No. 239, Rushford-Peterson.** For school district flood enrollment impact aid as a result of the floods of August 2007.

<u>\$</u>	<u>158,000</u>	<u>.....</u>	<u>2009</u>
-----------	----------------	--------------	-------------

The base appropriation for fiscal year 2010 is \$158,000. The base appropriation for later years is zero.

The district must provide to the commissioner of education documentation of the additional pupil transportation costs and the number of pupils in average daily membership lost as a result of the flood.

Up to \$40,000 is for increased costs associated with transporting students as a result of the floods

of August 2007.

Subd. 4. **Lancaster.** For a grant to Independent School District No. 356, Lancaster, to replace the loss of sparsity revenue:

\$ 100,000 2009

The base appropriation for fiscal years 2010 and 2011 is \$100,000 per year. The base appropriation for later fiscal years is zero.

Subd. 5. **Principal's Leadership Institute.** For a grant to the Principal's Leadership Institute under Minnesota Statutes, section 122A.74:

\$ 275,000 2009

This is a onetime appropriation.

Subd. 6. **Board of Teaching; licensure by portfolio.** For the Board of Teaching for licensure by portfolio:

\$ 17,000 2009

This appropriation is from the educator licensure portfolio account of the special revenue fund.

Subd. 7. **Minnesota Humanities Commission.** For a grant to the Minnesota Humanities Commission.

\$ 275,000 2009

This is a onetime appropriation.

Sec. 52. **REPEALER.**

(a) Minnesota Statutes 2006, section 126C.21, subdivision 1, is repealed for revenue for fiscal year 2010 and later.

(b) Minnesota Statutes 2006, section 127A.45, subdivision 7a, is repealed.

(c) Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3, and 4, are repealed.

ARTICLE 3

EDUCATION FORECAST ADJUSTMENTS

Section 1. Laws 2007, chapter 146, article 1, section 24, subdivision 2, is amended to read:

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$ 5,618,342,000
 5,600,647,000 2008

5,618,342,000
\$ 5,649,098,000 2009

The 2008 appropriation includes ~~\$531,733,000~~ \$536,251,000 for 2007 and ~~\$5,073,250,000~~ \$5,064,396,000 for 2008.

The 2009 appropriation includes ~~\$546,314,000~~ \$543,752,000 for 2008 and ~~\$5,072,028,000~~ \$5,105,346,000 for 2009.

Sec. 2. Laws 2007, chapter 146, article 1, section 24, subdivision 3, is amended to read:

Subd. 3. **Referendum tax base replacement aid.** For referendum tax base replacement aid under Minnesota Statutes, section 126C.17, subdivision 7a:

\$ ~~870,000~~ 861,000 2008

The 2008 appropriation includes ~~\$870,000~~ \$861,000 for 2007 and \$0 for 2008.

Sec. 3. Laws 2007, chapter 146, article 1, section 24, subdivision 4, is amended to read:

Subd. 4. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$ ~~95,000~~ 48,000 2008

\$ ~~97,000~~ 50,000 2009

Sec. 4. Laws 2007, chapter 146, article 1, section 24, subdivision 5, is amended to read:

Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section 127A.49:

\$ ~~1,343,000~~
1,333,000 2008

\$ ~~1,347,000~~
1,629,000 2009

The 2008 appropriation includes \$76,000 for 2007 and ~~\$1,267,000~~ \$1,257,000 for 2008.

The 2009 appropriation includes ~~\$140,000~~ \$139,000 for 2008 and ~~\$1,207,000~~ \$1,490,000 for 2009.

Sec. 5. Laws 2007, chapter 146, article 1, section 24, subdivision 6, is amended to read:

Subd. 6. **Consolidation transition.** For districts consolidating under Minnesota Statutes, section 123A.485:

\$ ~~565,000~~ 240,000 2008

\$ ~~212,000~~ 339,000 2009

The 2008 appropriation includes \$43,000 for 2007 and ~~\$522,000~~ \$197,000 for 2008.

The 2009 appropriation includes ~~\$57,000~~ \$21,000 for 2008 and ~~\$155,000~~ \$318,000 for 2009.

Sec. 6. Laws 2007, chapter 146, article 1, section 24, subdivision 7, is amended to read:

Subd. 7. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43, and 123B.87:

	16,290,000		
\$	<u>15,601,000</u>	.....	2008
	16,620,000		
\$	<u>16,608,000</u>	.....	2009

The 2008 appropriation includes ~~\$1,606,000~~ \$1,214,000 for 2007 and ~~\$14,684,000~~ \$14,387,000 for 2008.

The 2009 appropriation includes ~~\$1,631,000~~ \$1,598,000 for 2008 and ~~\$14,989,000~~ \$15,010,000 for 2009.

Sec. 7. Laws 2007, chapter 146, article 1, section 24, subdivision 8, is amended to read:

Subd. 8. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

	21,551,000		
\$	<u>20,755,000</u>	.....	2008
	21,392,000		
\$	<u>21,007,000</u>	.....	2009

The 2008 appropriation includes \$2,124,000 for 2007 and ~~\$19,427,000~~ \$18,631,000 for 2008.

The 2009 appropriation includes ~~\$2,158,000~~ \$2,070,000 for 2008 and ~~\$19,234,000~~ \$18,937,000 for 2009.

B. EDUCATION EXCELLENCE

Sec. 8. Laws 2007, chapter 146, article 2, section 46, subdivision 2, is amended to read:

Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124D.11, subdivision 4:

	31,875,000		
\$	<u>32,817,000</u>	.....	2008
	36,193,000		
\$	<u>37,527,000</u>	.....	2009

The 2008 appropriation includes \$2,814,000 for 2007 and ~~\$29,061,000~~ \$30,003,000 for 2008.

The 2009 appropriation includes ~~\$3,229,000~~ \$3,333,000 for 2008 and ~~\$32,964,000~~ \$34,194,000 for 2009.

Sec. 9. Laws 2007, chapter 146, article 2, section 46, subdivision 3, is amended to read:

Subd. 3. **Charter school startup cost aid.** For charter school startup cost aid under Minnesota Statutes, section 124D.11:

	1,896,000		
\$	<u>1,801,000</u>	.....	2008
	2,161,000		
\$	<u>1,987,000</u>	.....	2009

The 2008 appropriation includes ~~\$241,000~~ \$239,000 for 2007 and ~~\$1,655,000~~ \$1,562,000 for 2008.

The 2009 appropriation includes ~~\$183,000~~ \$173,000 for 2008 and ~~\$1,978,000~~ \$1,814,000 for 2009.

Sec. 10. Laws 2007, chapter 146, article 2, section 46, subdivision 4, is amended to read:

Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section 124D.86, subdivision 5:

	61,769,000		
\$	<u>59,036,000</u>	.....	2008
	61,000,000		
\$	<u>62,448,000</u>	.....	2009

The 2008 appropriation includes \$5,824,000 for 2007 and ~~\$55,945,000~~ \$53,212,000 for 2008.

The 2009 appropriation includes ~~\$6,216,000~~ \$5,912,000 for 2008 and ~~\$54,784,000~~ \$56,536,000 for 2009.

Sec. 11. Laws 2007, chapter 146, article 2, section 46, subdivision 6, is amended to read:

Subd. 6. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

	9,639,000		
\$	<u>9,901,000</u>	.....	2008
	11,567,000		
\$	<u>11,881,000</u>	.....	2009

Sec. 12. Laws 2007, chapter 146, article 2, section 46, subdivision 9, is amended to read:

Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

	2,238,000		
\$	<u>2,207,000</u>	.....	2008
	2,422,000		
\$	<u>2,392,000</u>	.....	2009

The 2008 appropriation includes \$204,000 for 2007 and ~~\$2,034,000~~ \$2,003,000 for 2008.

The 2009 appropriation includes ~~\$226,000~~ \$222,000 for 2008 and ~~\$2,196,000~~ \$2,170,000 for 2009.

C. SPECIAL PROGRAMS

Sec. 13. Laws 2007, chapter 146, article 3, section 24, subdivision 3, is amended to read:

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

	1,538,000		
\$	<u>2,086,000</u>	.....	2008
	1,729,000		
\$	<u>2,282,000</u>	.....	2009

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 14. Laws 2007, chapter 146, article 3, section 24, subdivision 4, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	254,000 <u>207,000</u>	.....	2008
\$	284,000 <u>227,000</u>	.....	2009

The 2008 appropriation includes \$22,000 for 2007 and ~~\$232,000~~ \$185,000 for 2008.

The 2009 appropriation includes ~~\$25,000~~ \$20,000 for 2008 and ~~\$259,000~~ \$207,000 for 2009.

D. FACILITIES AND TECHNOLOGY

Sec. 15. Laws 2007, chapter 146, article 4, section 16, subdivision 2, is amended to read:

Subd. 2. **Health and safety revenue.** For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

\$	190,000 <u>254,000</u>	.....	2008
\$	179,000 <u>103,000</u>	.....	2009

The 2008 appropriation includes \$20,000 for 2007 and ~~\$170,000~~ \$234,000 for 2008.

The 2009 appropriation includes ~~\$18,000~~ \$26,000 for 2008 and ~~\$161,000~~ \$77,000 for 2009.

Sec. 16. Laws 2007, chapter 146, article 4, section 16, subdivision 3, is amended to read:

Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

	<u>14,813,000</u>		
\$	<u>14,814,000</u>	.....	2008
	<u>11,124,000</u>		
\$	<u>9,109,000</u>	.....	2009

The 2008 appropriation includes ~~\$1,767,000~~ \$1,766,000 for 2007 and ~~\$13,046,000~~ \$13,048,000 for 2008.

The 2009 appropriation includes ~~\$1,450,000~~ \$1,449,000 for 2008 and ~~\$9,674,000~~ \$7,660,000 for 2009.

Sec. 17. Laws 2007, chapter 146, article 4, section 16, subdivision 6, is amended to read:

Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to Minnesota Statutes, section 123B.591, subdivision 4:

	<u>3,290,000</u>		
\$	<u>3,232,000</u>	.....	2008
	<u>2,667,000</u>		
\$	<u>2,627,000</u>	.....	2009

The 2008 appropriation includes \$0 for 2007 and ~~\$3,290,000~~ \$3,232,000 for 2008.

The 2009 appropriation includes ~~\$365,000~~ \$359,000 for 2008 and ~~\$2,302,000~~ \$2,268,000 for 2009.

Sec. 18. Laws 2007, chapter 146, article 4, section 16, subdivision 8, is amended to read:

Subd. 8. **School technology and operating capital aid grants.** For school technology and operating capital grants under section 11:

	<u>38,145,000</u>		
\$	<u>38,236,000</u>	.....	2008
	<u>52,676,000</u>		
\$	<u>52,454,000</u>	.....	2009

This is a onetime appropriation.

E. NUTRITION AND ACCOUNTING

Sec. 19. Laws 2007, chapter 146, article 5, section 13, subdivision 2, is amended to read:

Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

	<u>12,022,000</u>		
\$	<u>12,094,000</u>	.....	2008
	<u>12,166,000</u>		
\$	<u>12,394,000</u>	.....	2009

Sec. 20. Laws 2007, chapter 146, article 5, section 13, subdivision 4, is amended to read:

Subd. 4. **Summer food service replacement aid.** For summer food service replacement aid under Minnesota Statutes, section 124D.119:

\$	150,000	<u>127,000</u>	.....	2008
\$		150,000	.....	2009

F. EARLY CHILDHOOD AND ADULT PROGRAMS

Sec. 21. Laws 2007, chapter 146, article 9, section 17, subdivision 2, is amended to read:

Subd. 2. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	21,106,000	<u>21,092,000</u>	.....	2008
\$	29,601,000	<u>29,324,000</u>	.....	2009

The 2008 appropriation includes \$1,796,000 for 2007 and ~~\$19,310,000~~ \$19,296,000 for 2008.

The 2009 appropriation includes ~~\$2,145,000~~ \$2,144,000 for 2008 and ~~\$27,456,000~~ \$27,180,000 for 2009.

Sec. 22. Laws 2007, chapter 146, article 9, section 17, subdivision 3, is amended to read:

Subd. 3. **School readiness.** For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

\$	9,995,000	<u>9,987,000</u>	.....	2008
\$		10,095,000	.....	2009

The 2008 appropriation includes ~~\$909,000~~ \$901,000 for 2007 and \$9,086,000 for 2008.

The 2009 appropriation includes \$1,009,000 for 2008 and \$9,086,000 for 2009.

Sec. 23. Laws 2007, chapter 146, article 9, section 17, subdivision 8, is amended to read:

Subd. 8. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

\$	1,307,000	<u>1,299,000</u>	.....	2008
\$	816,000	<u>796,000</u>	.....	2009

The 2008 appropriation includes \$195,000 for 2007 and ~~\$1,112,000~~ \$1,104,000 for 2008.

The 2009 appropriation includes ~~\$123,000~~ \$122,000 for 2008 and ~~\$693,000~~ \$674,000 for 2009.

Sec. 24. Laws 2007, chapter 146, article 9, section 17, subdivision 9, is amended to read:

Subd. 9. **Adults with disabilities program aid.** For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	710,000 <u>709,000</u>	.....	2008
\$	710,000	.....	2009

The 2008 appropriation includes ~~\$71,000~~ \$70,000 for 2007 and \$639,000 for 2008.

The 2009 appropriation includes \$71,000 for 2008 and \$639,000 for 2009.

School districts operating existing adults with disabilities programs that are not fully funded shall receive full funding for the program beginning in fiscal year 2008 before the commissioner awards grants to other districts.

Sec. 25. Laws 2007, chapter 146, article 9, section 17, subdivision 13, is amended to read:

Subd. 13. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

\$	40,347,000 <u>40,344,000</u>	.....	2008
\$	41,745,000 <u>41,712,000</u>	.....	2009

The 2008 appropriation includes \$3,759,000 for 2007 and ~~\$36,588,000~~ \$36,585,000 for 2008.

The 2009 appropriation includes \$4,065,000 for 2008 and ~~\$37,680,000~~ \$37,647,000 for 2009.

ARTICLE 4

HIGHER EDUCATION

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations from the general fund made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>Minnesota Office of Higher Education</u>	\$ <u>-0-</u>	\$ <u>(1,381,000)</u>	\$ <u>(1,381,000)</u>
<u>Board of Trustees of the Minnesota State Colleges and Universities</u>	<u>(1,000,000)</u>	<u>(6,880,000)</u>	<u>(7,880,000)</u>
<u>Board of Regents of the University of Minnesota</u>	<u>(6,150,000)</u>	<u>(6,150,000)</u>	<u>(12,300,000)</u>
<u>Total</u>	<u>\$ (7,150,000)</u>	<u>\$ (14,411,000)</u>	<u>\$ (21,561,000)</u>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 144, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

Sec. 3. **MINNESOTA OFFICE OF HIGHER EDUCATION**

<u>Subdivision 1. Total Appropriation</u>	\$	-0-	\$	<u>(1,381,000)</u>
---	----	-----	----	--------------------

The amounts that must be reduced for each purpose are specified in the following subdivisions.

<u>Subd. 2. Interstate Tuition Reciprocity</u>		-0-		<u>(250,000)</u>
--	--	-----	--	------------------

<u>Subd. 3. Minnesota College Savings Plan</u>		-0-		<u>(1,020,000)</u>
--	--	-----	--	--------------------

The budget base for the Minnesota college savings plan for fiscal year 2010 is \$1,020,000.

<u>Subd. 4. Agency Administration</u>		-0-		<u>(111,000)</u>
---------------------------------------	--	-----	--	------------------

Subd. 5. Cancellation

By June 30, 2009, the commissioner of finance shall cancel to the general fund \$90,000 of the appropriation in Laws 2005, chapter 107, article 1, section 2, subdivision 12, to upgrade computer program application software related to state grant awards.

Subd. 6. Transfers In

The commissioner of finance must transfer

\$18,000 to the general fund from the technology carryforward account in the special revenue fund by June 30, 2008.

The commissioner of finance must transfer \$100,000 to the general fund from the private institutions regulation accounts in the special revenue fund by June 30, 2009.

Sec. 4. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>(1,000,000)</u>	<u>\$</u>	<u>(6,880,000)</u>
--	------------------	---------------------------	------------------	---------------------------

The amounts that must be reduced or added for each purpose are specified in the following subdivisions.

<u>Subd. 2. General Reduction</u>		<u>(1,000,000)</u>		<u>(7,600,000)</u>
--	--	---------------------------	--	---------------------------

Of this reduction, \$5,000,000 is from the appropriations for technology and \$1,000,000 is from the central reserves. The remainder is from the Office of the Chancellor budget.

The reductions in this subdivision must not result in reductions to any of the campuses of the Minnesota State Colleges and Universities, must not reduce the technology expenditures or grants to the campuses, and must not increase any assessments to the campuses from the Office of the Chancellor.

The Board of Trustees of the Minnesota State Colleges and Universities must reallocate \$9,000,000 of state appropriations to reduce student tuition increases to two percent at state colleges and three percent at state universities and must not increase student fees beyond the amount that is currently planned for the next academic year.

The legislature intends that by reducing tuition increases, the student's share of educational costs are decreased and the state's share of educational costs are increased, consistent with the funding policy in Minnesota Statutes, section 135A.01. The

legislature's goal is to begin progress over the next eight years to achieve a two-thirds state share of educational costs and a one-third student share as specified in Minnesota Statutes, section 135A.01.

From the appropriation in Laws 2007, chapter 144, article 1, section 4, subdivision 1, the Board of Trustees shall allocate funding to campuses that lost revenue as a result of the decision in this law to eliminate nonresident undergraduate tuition at specified campuses.

Subd. 3. Power of You Program

-0-

600,000

This appropriation is for the continuation of the power of you program at Metropolitan State University, Minneapolis Community and Technical College, and St. Paul College under Minnesota Statutes, section 136F.19.

The board of trustees shall allocate the power of you funds to Metropolitan State University, Minneapolis Community and Technical College, and St. Paul College.

The funds must be used for financial aid for eligible students. This appropriation is available to the extent it is matched with an equal amount of nonstate money.

This is a onetime appropriation.

Subd. 4. Teachers of Diverse Backgrounds Financial Aid Pilot Program

-0-

120,000

For a teachers of diverse backgrounds financial aid pilot program, to be implemented by (1) Winona State University in partnership with the Rochester school district and (2) St. Cloud State University in partnership with the Robbinsdale school district, to increase the diversity of teachers in school districts with a significant concentration of minority students and attain the state's interest in enhancing the academic achievement of diverse student populations.

A student is eligible to receive a grant under this subdivision if the student has

a demonstrated interest and knowledge of diverse cultures. A preference must be given to a student whose parents did not attend college.

Grants shall be made to eligible students for the student's junior and senior years in a teacher preparation program. Priority shall be given to students who are eligible for a Pell grant or a state grant under Minnesota Statutes, section 136A.121. Applications must be submitted in the form and manner and with the information required by Winona State University and St. Cloud State University.

Within the limits of the appropriation, a student may receive a grant of up to \$5,000 each year for a maximum of two academic years or the equivalent if the student continues to make satisfactory progress, as defined by the institution, toward a baccalaureate degree in education.

This is a onetime appropriation.

Subd. 5. System Base Reduced

The system base is reduced by \$7,700,000 each year in fiscal years 2010 and 2011.

Sec. 5. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

<u>Subdivision 1. Total Appropriation</u>	<u>\$ (6,150,000)</u>	<u>\$ (6,150,000)</u>
--	------------------------------	------------------------------

The amounts that must be reduced or added for each purpose are specified in the following subdivisions.

<u>Subd. 2. General Reduction</u>	<u>(6,150,000)</u>	<u>(6,150,000)</u>
--	---------------------------	---------------------------

Subd. 3. Restriction on Tuition Increase

The Board of Regents must not increase student tuition or fees beyond the amount currently planned for the 2008-2009 academic year.

Subd. 4. System Base Reduced

The system base is reduced by \$8,700,000 in fiscal year 2010 and \$8,700,000 in fiscal year 2011.

Sec. 6. Minnesota Statutes 2006, section 136A.101, subdivision 8, is amended to read:

Subd. 8. **Resident student.** "Resident student" means a student who meets one of the following conditions:

(1) a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 months without being enrolled at a postsecondary educational institution for more than five credits in any term;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school and the student is physically attending a Minnesota postsecondary educational institution;

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota;

(5) a member, spouse, or dependent of a member of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c;

(6) a spouse or dependent of a veteran, as defined in section 197.447, if the veteran is a Minnesota resident;

(7) a person or spouse of a person who relocated to Minnesota from an area that is declared a presidential disaster area within the preceding 12 months if the disaster interrupted the person's postsecondary education; or

~~(7)(8)~~ (8) a person defined as a refugee under United States Code, title 8, section 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota.

Sec. 7. Minnesota Statutes 2007 Supplement, section 136A.121, subdivision 7a, is amended to read:

Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the office to be more than sufficient to fund projected grant demand in the second year of the biennium, the office may increase the living and miscellaneous expense allowance in the second year of the biennium by up to an amount that retains sufficient appropriations to fund the projected grant demand. The adjustment may be made one or more times. In making the determination that there are more than sufficient funds, the office shall balance the need for sufficient resources to meet the projected demand for grants with the goal of fully allocating the appropriation for state grants. An increase in the living and miscellaneous expense allowance under this subdivision does not carry forward into a subsequent biennium. ~~This subdivision expires June 30, 2009.~~

Sec. 8. **[136F.19] POWER OF YOU PROGRAM.**

Subdivision 1. **Establishment.** The board shall establish and operate through each campus a power of you program at Metropolitan State University, Minneapolis Community and Technical College, and St. Paul College. The program shall, to the extent of available funding, make grants to eligible students. Each campus shall develop partnerships with high schools and school districts as part of the program. The board may accept and expend private funding for the program.

Subd. 2. **Grants.** A campus shall establish procedures to select recipients of grants. A grant award shall be equal to the amount remaining after deducting the student's Pell grant award and state grant award from the institution's tuition and mandatory fee charges.

Subd. 3. **Eligible students.** A student is eligible to receive a grant under this section if the student:

- (1) is a graduate from a public Minneapolis or St. Paul high school;
- (2) is enrolled full time immediately after graduation;
- (3) was a participant in a power of you program as a high school student; and
- (4) is eligible for a Pell grant or a state grant under section 136A.121.

Subd. 4. **Information.** The institutions implementing the power of you program shall disseminate information to all MnSCU institutions about their experience in implementing the program.

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

Sec. 9. Minnesota Statutes 2006, section 136G.11, subdivision 1, is amended to read:

Subdivision 1. **Matching grant qualification.** ~~By June 30~~ July 1 of each year, a state matching grant must be added to each account established under the program if the following conditions are met:

- (1) the contributor applies, in writing in a form prescribed by the director, for a matching grant;
- (2) a minimum contribution of \$200 was made during the preceding calendar year;
- (3) the beneficiary's family meets Minnesota college savings plan residency requirements; and
- (4) the family income of the beneficiary did not exceed \$80,000.

EFFECTIVE DATE. This section is effective July 1, 2008, for payments due July 1, 2009, and thereafter.

Sec. 10. Minnesota Statutes 2006, section 299A.45, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** ~~Following certification~~ A person is eligible to receive educational benefits under this section if the person:

- (1) is certified under section 299A.44 and in compliance with this section and rules of the commissioner of public safety and the Minnesota Office of Higher Education;

(2) is enrolled in an undergraduate degree or certificate program after June 30, 1990, at an eligible Minnesota institution as provided in section 136A.101, subdivision 4;

(3) has not receive a baccalaureate degree or been enrolled full time for ten semesters or the equivalent, except that a student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of eligibility; and

(4) is related in one of the following ways to a public safety officer killed in the line of duty on or after January 1, 1973:

(i) as a dependent ~~children~~ child less than 23 years of age and the;

~~(ii) as a surviving spouse of a public safety officer killed in the line of duty on or after January 1, 1973, are eligible to receive educational benefits under this section. To qualify for an award, they must be enrolled in undergraduate degree or certificate programs after June 30, 1990, at an eligible Minnesota institution as provided in section 136A.101, subdivision 4. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. Persons who have received a baccalaureate degree or have been enrolled full time or the equivalent of ten semesters or the equivalent, whichever occurs first, are no longer eligible.;~~
or

(iii) as a dependent child less than 30 years of age who has served on active military duty 181 consecutive days or more and has been honorably discharged or released to the dependent child's reserve or National Guard unit.

Sec. 11. Laws 2007, chapter 144, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. State Grants	147,400,000	144,138,000
------------------------------	-------------	-------------

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

For the biennium, the tuition maximum for students in four-year programs is \$9,838 in each year for students in four-year programs, and for students in two-year programs, is \$6,114 in the first year and \$5,808 in the second year.

This appropriation sets the living and miscellaneous expense allowance at \$5,900 each the first year and \$6,200 the second year.

Sec. 12. Laws 2007, chapter 144, article 1, section 5, subdivision 5, is amended to read:

Subd. 5. University of Minnesota and Mayo Foundation Partnership	25,000,000	-0-
---	------------	-----

For the direct and indirect expenses of the collaborative research partnership between

the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. For fiscal years 2010 and 2011, the base shall be \$8,000,000 in each year. This appropriation is available until expended. An annual report on the expenditure of these funds must be submitted to the governor, the chair of the house bioscience and emerging technologies committee, and the chairs of the senate and house committees responsible for higher education and economic development by June 30 of each fiscal year. At a minimum, the report must include information on the number of patents, disclosures, and licensing agreements; the amount generated in royalties and how the royalty money is spent; and the number of companies created, where they are located, how many jobs are created, and the amount of venture capital raised.

ARTICLE 5

ENVIRONMENT AND NATURAL RESOURCES

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ (328,000) \$	(2,728,000) \$	(3,056,000)
<u>Environmental</u>	-0-	134,000	134,000
<u>Natural Resources</u>	50,000	2,523,000	2,573,000
<u>Game and Fish</u>	123,000	631,000	754,000
<u>Total</u>	\$ (155,000) \$	560,000 \$	405,000

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 57, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2008</u>	<u>2009</u>
Sec. 3. <u>POLLUTION CONTROL AGENCY</u>	\$	<u>-0-</u> \$	<u>(469,000)</u>
<u>Appropriations by Fund</u>			
<u>General</u>	-0-	(603,000)	
<u>Environmental Fund</u>	-0-	<u>134,000</u>	

\$623,000 is a reduction in 2009. The commissioner shall make the reduction to administrative activities in a way to minimize the effect to program operations.

\$134,000 in 2009 is appropriated from the environmental fund for the development and adoption of rules to regulate emission standards of motor vehicles sold in this state as authorized under the federal Clean Air Act, United States Code, title 42, section 7507. The base for fiscal years 2010 and 2011 is \$114,000.

\$20,000 in 2009 is appropriated from the general fund for the following purposes:

(1) the development of recommendations for establishing a comprehensive product stewardship approach to reducing environmental and health risks posed by the use or disposal of products. These recommendations shall be submitted to the chairs and ranking minority members of the senate and house committees with jurisdiction over environmental policy and environmental finance by January 15, 2009. The recommendations shall include, at a minimum: a set of criteria to be used to evaluate products proposed for product stewardship solutions; a process for designating products for product stewardship solutions and the role the legislature would play in that process; typical components of product stewardship plans; options to

facilitate the creation of industry-managed stewardship management organizations; methods to identify and monitor progress toward stewardship performance goals for specific products; and strategies to implement the use of standards, certifications, and eco-labels to promote environmentally preferable products. To the extent possible, the recommendations must be consistent with existing product stewardship programs in North America. In developing the recommendations, the commissioner must consult with manufacturers, retailers, recyclers, environmental advocacy organizations, local units of government, and other interested parties;

(2) a report to be submitted by December 1, 2008, to the chairs and ranking minority members of the senate and house committees with primary jurisdiction over solid waste policy, analyzing the availability of collection and processing capacity in the seven-county metropolitan area for the recycling of construction and demolition waste. The report must recommend a percentage of the total weight of construction and demolition waste generated in the seven-county metropolitan area that represents an achievable but aggressive recycling goal that can be reached in 2012 and must include an analysis of the economic and environmental costs and benefits of reaching that goal; and

(3) a report to be submitted by January 1, 2009, to the chairs and ranking minority members of the senate and house committees with primary jurisdiction over solid waste policy, that recommends options for achieving the following goals by 2020: an increase in county recycling rates to 60 percent of the weight of total solid waste generation; and the diversion, prior to delivery to landfills and waste-to-energy plants, and recycling and reuse of an amount of source-separated compostable materials equal to 15 percent of total solid waste generation. The commissioner must obtain

input from counties inside and outside the seven-county metropolitan area, recycling and composting facilities, waste haulers, environmental organizations, and other interested parties in preparing the report. The report must also contain estimates of the economic costs of implementing the strategies. This is a onetime appropriation.

Sec. 4. NATURAL RESOURCES

Subdivision 1. <u>Total Appropriation</u>		\$	<u>(155,000)</u>	\$	<u>594,000</u>
<u>Appropriations by Fund</u>					
<u>General</u>	<u>(328,000)</u>		<u>(2,260,000)</u>		
<u>Natural Resources</u>	<u>50,000</u>		<u>2,223,000</u>		
<u>Game and Fish</u>	<u>123,000</u>		<u>631,000</u>		

The appropriation additions or reductions for each purpose are shown in the following subdivisions.

Subd. 2. <u>Lands and Minerals</u>			<u>-0-</u>		<u>(225,000)</u>
<u>Appropriations by Fund</u>					
<u>General</u>	<u>-0-</u>		<u>(425,000)</u>		
<u>Natural Resources</u>	<u>-0-</u>		<u>200,000</u>		

\$200,000 in 2009 is a general reduction in lands and minerals administration.

\$124,000 in 2009 is a reduction from the appropriation for iron ore cooperative agreements.

\$101,000 in 2009 is a reduction from the appropriation for minerals diversification.

\$200,000 in 2009 is appropriated from the natural resources fund for the administration and monitoring of permits to mine ferrous metals under Minnesota Statutes, section 93.481. By January 15, 2009, the commissioner shall report to the legislature and the chairs of the senate and house committees with jurisdiction over environment and natural resources

finance on the establishment of a permit to mine application fee schedule that is based on the actual costs of issuing and monitoring individual permits and any necessary legislation needed to cover the costs of issuing and monitoring the permits for the next biennium.

Subd. 3. Water Resource Management (98,000) 10,000

Appropriations by Fund

<u>General</u>	<u>(98,000)</u>	<u>(90,000)</u>
<u>Natural Resources</u>	<u>-0-</u>	<u>100,000</u>

\$38,000 is a reduction in 2009 attributable to the modification of reporting requirements under Minnesota Statutes, section 103A.43.

By January 15, 2009, the Mississippi Headwaters Board, established under Minnesota Statutes, section 103F.367, shall submit a report to the chairs of the senate and house committees and divisions with jurisdiction over the environment and natural resources on how the board will meet its responsibility to protect and enhance the Mississippi River and related shoreland as required by Minnesota Statutes, section 103F.367. In preparing the report, the Mississippi Headwaters Board shall hold two public input meetings in the area.

\$100,000 in 2009 is from the water recreation account in the natural resources fund for rulemaking on structures in public waters. This is a onetime appropriation.

\$22,000 in 2009 is a reduction from the appropriation for ring dikes under Minnesota Statutes, section 103F.161.

\$30,000 is a reduction in 2009 from the appropriation for grants associated with the implementation of the Red River mediation agreement.

\$98,000 is a reduction in 2008 from a onetime appropriation for impaired waters.

Subd. 4. Forest Management

-0-

250,000

\$53,000 in 2009 is for the Forest Resources Council to conduct a study of options and make recommendations to the legislature for addressing the fragmentation and parcelization of large blocks of private forest land in the state. This is a onetime appropriation.

\$197,000 in 2009 is for a grant to the University of Minnesota for the Interagency Information Cooperative to develop a common forest inventory format describing key attributes of Minnesota's public forest land base, growth models for managed forest stands, a forest wildlife habitat model format, and an information database on the state's family forest ownership.

Subd. 5. Parks and Recreation Management

50,000

-0-

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>(220,000)</u>
<u>Natural Resources</u>	<u>50,000</u>	<u>220,000</u>

\$220,000 in 2009 is a reduction for parks and recreation management.

\$220,000 in 2009 is from the state parks account in the natural resources fund to fund state park operations, maintenance, resource management, educational services, and associated support costs.

\$50,000 in 2008 from the natural resources fund is for grants to local units of government for up to 75 percent of the cost of meeting the equipment requirements for public pools under Minnesota Statutes, section 144.1222, subdivision 1d, paragraph (a), if enacted. The maximum grant is \$10,000 per pool upgraded. Priority shall be given to local government applicants seeking assistance in installing a secondary suction or drainage outlet for the public pool where a fee is not charged for use of the pool. The commissioner shall consult

with the commissioner of health in awarding the grants. Of this amount, notwithstanding the restrictions under Minnesota Statutes, section 297A.94, \$25,000 is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (3), and \$25,000 is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (4). This is a onetime appropriation and is available until June 30, 2009.

Subd. 6. Trails and Waterways Management -0- 1,085,000

Appropriations by Fund

<u>General</u>	-0-	<u>(50,000)</u>
<u>Natural Resources</u>	-0-	<u>1,135,000</u>

Beginning in 2009, \$300,000 each year is from the all-terrain vehicle account in the natural resources fund for monitoring and maintenance of newly designated trails.

\$700,000 in 2009 is from the natural resources fund for the development of the Virginia site and connecting trails for the Iron Range Off-Highway Vehicle Recreation Area. Of this amount, \$400,000 is from the all-terrain vehicle account, \$75,000 is from the off-highway motorcycle account, \$125,000 is from the off-road vehicle account, and \$100,000 is from the snowmobile trails and enforcement account. \$300,000 is from federal money allocated for motorized recreation. This is a onetime appropriation. The appropriation is available until expended for the design and development of an underpass for off-highway vehicles on Highway 135 in the city of Gilbert. None of these funds may be expended until all property as identified in the master plan has been acquired. This is a onetime appropriation.

\$100,000 in 2009 is from the all-terrain vehicle account in the natural resources fund

for a grant to the city of Hoyt Lakes to convert the Moose Trail snowmobile trail to a dual usage trail, so that it may also be used as an Off-Highway Vehicle trail connecting the city of Biwabik to the Iron Range Off-Highway Vehicle Recreation Area. This is a onetime appropriation.

\$50,000 in 2009 is a reduction from the appropriation for nonmotorized trails.

\$35,000 in 2009 is from the all-terrain vehicle account in the natural resources fund for all-terrain vehicle grants-in-aid.

Subd. 7. Fish and Wildlife Management	<u>123,000</u>	<u>119,000</u>
--	----------------	----------------

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>(427,000)</u>
<u>Game and Fish</u>	<u>123,000</u>	<u>546,000</u>

\$329,000 in 2009 is a reduction for fish and wildlife management.

\$46,000 in 2009 is a reduction in the appropriation for the Minnesota Shooting Sports Education Center.

\$52,000 in 2009 is a reduction for licensing.

\$123,000 in 2008 and \$246,000 in 2009 are from the game and fish fund to implement fish virus surveillance, prepare infrastructure to handle possible outbreaks, and implement control procedures for highest risk waters and fish production operations. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 297A.94, paragraph (e), \$300,000 in 2009 is from the second year appropriation in Laws 2007, chapter 57, article 1, section 4, subdivision 7, from the heritage enhancement account in the game and fish fund to study, predesign, and design shooting sports facilities at the Vermillion Highlands Wildlife Management Area authorized by Laws 2007, chapter 57, article 1, section 168. This is available onetime only and is available until

expended.

\$300,000 in 2009 is appropriated from the game and fish fund for only activities that improve, enhance, or protect fish and wildlife resources. This is a onetime appropriation.

Subd. 8. Ecological Services (230,000) -0-

\$230,000 in 2008 is a reduction from the appropriation for impaired waters.

By June 30, 2008, the commissioner of finance shall transfer \$594,000 from the water recreation account in the natural resources fund to the invasive species account in the natural resources fund for invasive species-related expenses.

Subd. 9. Enforcement -0- 110,000

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>(543,000)</u>
<u>Natural Resources</u>	<u>-0-</u>	<u>568,000</u>
<u>Game and Fish</u>	<u>-0-</u>	<u>85,000</u>

\$543,000 in 2009 is a reduction in enforcement operations. \$75,000 of this reduction is for conservation officer recruiting and \$85,000 of this reduction is for advanced hunter education.

\$383,000 in 2009 is from the water recreation account in the natural resources fund for enforcement operations.

\$185,000 in 2009 is from the all-terrain vehicle account in the natural resources fund for grants to county law enforcement agencies for all-terrain vehicle enforcement and public education activities based on all-terrain vehicle use in the county.

\$85,000 in 2009 is from the game and fish fund for advanced hunter education.

Subd. 10. Operations Support -0- (755,000)

\$755,000 is a reduction to the department's

administration costs in fiscal year 2009. The commissioner shall make these reductions throughout the agency through reduction in travel, administrative costs, and vacancy management.

The department's administration base is reduced by \$255,000 in fiscal years 2010 and 2011.

Sec. 5. BOARD OF WATER AND SOIL RESOURCES

\$

-0- \$

235,000

\$200,000 in 2009 is a reduction from the appropriation for county cooperative weed management programs.

\$47,000 is a reduction in 2009 from the appropriation for cost-sharing contracts to establish native buffers. This is a onetime reduction.

\$68,000 in 2009 is a reduction from the appropriation for the drainage assistance program.

\$450,000 in 2009 is for implementing rehabilitation, erosion, and sediment control projects in the area included in DR-1717. Funds appropriated or transferred and waivers previously authorized to the board for DR-1717 flood relief and recovery as provided in Laws 2007, First Special Session chapter 2, are available and applicable until June 30, 2010. The board may use money from this appropriation to implement federal funding for projects in the area. The base for 2010 is \$275,000 and the base for 2011 is \$0. This appropriation is available until expended.

\$100,000 in 2009 is for a grant to the Star Lake Board established in new Minnesota Statutes, section 103B.702. The board may use up to ten percent of the appropriation for administration and initial meeting of the Star Lake Board. This is a onetime appropriation.

To the extent possible prairie restorations paid for in whole or in part by appropriations to the

Sec. 8. Minnesota Statutes 2006, section 17.4988, subdivision 2, is amended to read:

Subd. 2. **Aquatic farming license.** (a) The annual fee for an aquatic farming license is \$210 for the base license. The commissioner must establish an additional fee based on the acreage of the operation.

(b) The aquatic farming license may contain endorsements for the rights and privileges of the following licenses under the game and fish laws. The endorsement must be made upon payment of the license fee prescribed in section 97A.475 for the following licenses:

- (1) minnow dealer license;
- (2) minnow retailer license for sale of minnows as bait;
- (3) minnow exporting license;
- (4) aquatic farm vehicle endorsement, which includes a minnow dealer vehicle license, a minnow retailer vehicle license, an exporting minnow vehicle license, and a fish vendor license;
- (5) sucker egg taking license; and
- (6) game fish packers license.

Sec. 9. Minnesota Statutes 2006, section 17.4988, subdivision 3, is amended to read:

Subd. 3. **Inspection fees.** ~~The fees for the following inspections are:~~ The commissioner may, by written order published in the State Register, establish fees for the services listed in clauses (1) to (3). The fees must be set in an amount that does not recover significantly more or less than the cost of providing the service. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The services covered under this provision include:

- (1) initial inspection of each water to be licensed, ~~\$50~~;
- (2) fish health inspection and certification, ~~\$60 plus \$150 per lot thereafter~~ including initial tissue sample collection, basic fish health assessment, viral pathogen testing, and bacteriological testing; and
- (3) initial inspection for containment and quarantine facility inspections, ~~\$100~~.

Sec. 10. **[85.53] PARKS AND TRAILS FUND.**

The parks and trails fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the parks and trails fund must be credited to the fund.

EFFECTIVE DATE. This section is effective July 1, 2009, if the constitutional amendment proposed in Laws 2008, chapter 151, is adopted by the voters.

Sec. 11. Minnesota Statutes 2006, section 93.481, is amended by adding a subdivision to read:

Subd. 7. **Mining administration account.** The mining administration account is established as an account in the natural resources fund. Ferrous mining administrative fees charged to owners, operators, or managers of mines shall be credited to the account and may be appropriated to the commissioner to cover the costs of providing and monitoring permits to mine ferrous metals under this section.

Sec. 12. [94.3495] EXPEDITED EXCHANGES OF LAND INVOLVING THE STATE AND GOVERNMENTAL SUBDIVISIONS OF THE STATE.

Subdivision 1. Purpose and scope. (a) The purpose of this section is to expedite the exchange of public land ownership. Consolidation of public land reduces management costs and aids in the reduction of forest fragmentation.

(b) This section applies to exchanges of land between the state and a governmental subdivision of the state. For land exchanges under this section, sections 94.342 to 94.347 apply only to the extent specified in this section.

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

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

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

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

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

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

Subd. 3. Valuation of land. (a) In an exchange of Class 1 land for Class 2 or 3 land, the value of all the land shall be determined by the commissioner of natural resources. In an exchange of Class 2 land for Class 3 land, the value of all the land shall be determined by the county board of the county in which the land lies. To determine the value of the land, the parties to the exchange may cause the land to be appraised, utilize the valuation process provided under section 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker. Merchantable timber value must be determined and considered in finalizing valuation of the lands.

(b) All lands exchanged under this section shall be exchanged only for lands of at least substantially equal value. For the purposes of this subdivision, "substantially equal value" has the meaning given under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the lands are of substantially equal value but are not of the same value.

Subd. 4. Title. Title to the land must be examined to the extent necessary for the parties to determine that the title is good, with any encumbrances identified. The parties to the exchange may utilize title insurance to aid in the determination.

Subd. 5. Approval by Land Exchange Board. All expedited land exchanges under this section, and the terms and conditions of the exchanges, require the unanimous approval of the Land Exchange Board.

Subd. 6. Conveyance. (a) Conveyance of Class 1 land given in exchange shall be made by deed executed by the commissioner of natural resources in the name of the state. Conveyance of Class 2 land given in exchange shall be by a deed executed by the commissioner of revenue in the name of the state. Conveyance of Class 3 land shall be by a deed executed by the governing body in the

name of the governing authority.

(b) If Class 1 land is given in exchange for Class 2 or 3 land, the deed to the Class 2 or 3 land shall first be delivered to the commissioner of natural resources. Following the recording of the deed, the commissioner of natural resources shall deliver the deed conveying the Class 1 land.

(c) If Class 2 land is given in exchange for Class 3 land, the deed to the Class 3 land shall first be delivered to the county auditor. Following the recording of the deed, the commissioner of revenue shall deliver the deed conveying the Class 2 land.

(d) All deeds shall be recorded or registered in the county in which the lands lie.

Subd. 7. **Reversionary interest; mineral and water power rights and other reservations.** (a) All deeds conveying land given in an expedited land exchange under this section shall include a reverter that provides that title to the land automatically reverts to the conveying governmental unit if:

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

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

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

Subd. 8. **Land status.** Land received in exchange for Class 1 land is subject to the same trust, if any, and otherwise has the same status as the land given in exchange. Land received in exchange for Class 2 land is subject to a trust in favor of the governmental subdivision wherein it lies and all laws relating to tax-forfeited land. Land received in exchange for Class 3 land has the same status as the land given in exchange.

Sec. 13. Minnesota Statutes 2006, section 97A.475, subdivision 29, is amended to read:

Subd. 29. **Private fish hatcheries.** The fees for the following licenses to be issued to residents and nonresidents are:

(1) for a private fish hatchery, with annual sales under \$200, \$70;

(2) for a private fish hatchery, with annual sales of \$200 or more, \$210 for the base license. The commissioner must establish an additional fee based on the acreage of the operation; and

(3) to take sucker eggs from public waters for a private fish hatchery, \$400, plus \$6 for each quart in excess of 100 quarts.

Sec. 14. Minnesota Statutes 2006, section 103A.204, is amended to read:

103A.204 GROUNDWATER POLICY.

(a) The responsibility for the protection of groundwater in Minnesota is vested in a multiagency

approach to management. The following is a list of agencies and the groundwater protection areas for which the agencies are primarily responsible; the list is not intended to restrict the areas of responsibility to only those specified:

(1) Environmental Quality Board: ~~creation of a water resources committee to coordinate coordination of state groundwater protection programs and a biennial groundwater policy report beginning in 1994 that includes, for the 1994 report, the findings in the groundwater protection report coordinated by the Pollution Control Agency for the Environmental Protection Agency;~~

(2) Pollution Control Agency: water quality monitoring and reporting and the development of best management practices and regulatory mechanisms for protection of groundwater from nonagricultural chemical contaminants;

(3) Department of Agriculture: sustainable agriculture, integrated pest management, water quality monitoring, and the development of best management practices and regulatory mechanisms for protection of groundwater from agricultural chemical contaminants;

(4) Board of Water and Soil Resources: reporting on groundwater education and outreach with local government officials, local water planning and management, and local cost share programs;

(5) Department of Natural Resources: water quantity monitoring and regulation, sensitivity mapping, and development of a plan for the use of integrated pest management and sustainable agriculture on state-owned lands; and

(6) Department of Health: regulation of wells and borings, and the development of health risk limits under section 103H.201.

(b) ~~The Environmental Quality Board shall through its Water Resources Committee coordinate with representatives of all agencies prepare a report on policy issues related to its responsibilities listed in paragraph (a), citizens, and other interested groups to prepare a biennial report every even-numbered year as part of its duties described in sections 103A.43 and 103B.151 and include these reports with the assessments in section 103A.43 and the "Minnesota Water Plan" in section 103B.151.~~

Sec. 15. Minnesota Statutes 2006, section 103A.43, is amended to read:

103A.43 WATER ASSESSMENTS AND REPORTS.

(a) ~~The Environmental Quality Board shall evaluate and consolidate the assessments required in paragraphs (b) and (c) with the policy report in section 103A.204 and submit a single report to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture and the Legislative-Citizen Commission on Minnesota Resources on statewide water research needs and recommended priorities for addressing these needs. Local water research needs may also be included by September 15, 2010, and every five years thereafter.~~

(b) ~~The Environmental Quality Board shall work with the Pollution Control Agency and the Department of Agriculture to coordinate shall provide~~ a biennial assessment and analysis of water quality, groundwater degradation trends, and efforts to reduce, prevent, minimize, and eliminate degradation of water. The assessment and analysis must include an analysis of relevant monitoring data.

~~(c) The Environmental Quality Board shall work with the Department of Natural Resources to coordinate~~ shall provide an assessment and analysis of the quantity of surface and ground water in the state and the availability of water to meet the state's needs.

~~(d) The Environmental Quality Board shall coordinate and submit a report on water policy including the analyses in paragraphs (a) to (c) to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture and the Legislative Citizen Commission on Minnesota Resources by September 15 of each even-numbered year. The report may include the groundwater policy report in section 103A.204.~~

Sec. 16. Minnesota Statutes 2006, section 103B.151, subdivision 1, is amended to read:

Subdivision 1. **Water planning.** The Environmental Quality Board shall:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) ~~initiate, coordinate, and continue to develop~~ comprehensive long-range water resources planning in furtherance of the plan prepared by the Environmental Quality Board's Water Resources Committee entitled "Minnesota Water Plan," published in January 1991, by September 15, 2000, and each ten-year interval afterwards;

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies;

(4) coordinate development of state water policy recommendations and priorities, and a recommended program for funding identified needs, including priorities for implementing the state water resources monitoring plan;

(5) administer federal water resources planning with multiagency interests;

(6) ensure that groundwater quality monitoring and related data is provided and integrated into the Minnesota land management information system according to published data compatibility guidelines. Costs of integrating the data in accordance with data compatibility standards must be borne by the agency generating the data;

(7) coordinate the development and evaluation of water information and education materials and resources; and

(8) coordinate the dissemination of water information and education through existing delivery systems.

Sec. 17. **[103B.701] STAR LAKES.**

Subdivision 1. **Definition.** For the purposes of this section, the term "lake association" means an association organized for the purpose of addressing issues on a specific lake or river, a lake improvement district, or a lake conservation district.

Subd. 2. **Application.** (a) A lake association may apply to the Star Lake Board for designation as a star lake or river. The applicant must include a copy of a star lake or river management plan for the lake or river.

(b) After review of the application, the Star Lake Board shall determine whether designation as a star lake or river will be granted. The designation as a star lake or river becomes effective the day following designation by the board. The board shall publish the decision on a star lake or river designation in the State Register, including the effective date of the designation.

(c) The star lake or river designation is effective until the earlier of:

(1) five years after the date of designation; or

(2) when the Star Lake Board finds that the lake association is not fulfilling the requirements of this section or of the star lake or river management plan submitted.

(d) Within six months before the expiration date of the designation as a star lake or river, a lake association may apply to continue the star lake or river designation under this section.

Subd. 3. **Eligibility.** A lake association applying for designation as a star lake or river must:

(1) develop and update a star lake or river management plan as provided in subdivision 4;

(2) maintain a membership or participation of at least 50 percent of the private shoreland owners;

(3) participate in a water quality monitoring program under section 115.06, subdivision 4, or other programs meeting Pollution Control Agency standards; and

(4) meet at least annually to review the plan and notify appropriate state agencies and local government units in the development and monitoring of the star lake or river management plan.

Subd. 4. **Star lake or river management plan.** (a) A star lake or river management plan must contain a baseline of the current condition of the lake or river based on scientific information and plans for addressing the following issues:

(1) increases in native vegetation in the littoral area of the lake or river, where appropriate;

(2) increases in native vegetation on the shoreline areas of the lake or river, where appropriate;

(3) prevention, reduction, or elimination of aquatic invasive species in the lake or river;

(4) increasing or maintaining a healthy diverse fishery that is appropriate for the lake or river;

(5) how the association will work with state agencies and local government units to identify water pollution sources and impairments;

(6) how the association will assist state and local programs to generate data needed by state agencies and local government units in an appropriate format;

(7) promoting compliance with adopted shoreland zoning standards and shoreland best management practices;

(8) how the lake association will assure its involvement in public input opportunities for various local comprehensive and project-specific planning and zoning processes;

(9) education and recognition opportunities for shoreland owners and other entities that conduct activities affecting the quality of the lake or river; and

(10) other activities that will coordinate with or enhance other state and local water management efforts.

(b) The star lake or river management plan shall be updated within five years of adoption by the lake association.

Subd. 5. State resources. State agencies may consider star lake or river designation in determining the allocation of financial and staff resources.

Sec. 18. [103B.702] STAR LAKE BOARD.

Subdivision 1. Establishment. (a) The Star Lake Board shall be established as a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Star Lake Board shall promote and designate star lakes and rivers in Minnesota under section 103B.701.

(b) The board must work with private and public entities to leverage the resources available to achieve and sustain the designation of Minnesota star lakes or rivers. The board may assist lake associations with finding appropriate technical and financial assistance and make recommendations to state agencies and local government units regarding the manner in which technical or financial assistance can be most effectively delivered. To the extent that money is available, the board may secure, provide, or recommend financial assistance to meet specific needs of lake associations, for:

(1) completing a star lake or river management plan when the lake association does not have an existing management plan and the association is committed to the goals of a plan, as specified in section 103B.701, subdivision 4; and

(2) addressing specific issues of the lake or river to achieve or maintain the goals of the lake or river management plan for lake associations that have achieved a star lake or river designation.

(c) The board shall consist of:

(1) three public members appointed by the speaker of the house, with one member representing county governments, one member representing city governments, and one member representing an organization that promotes clean lakes and rivers;

(2) three public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, with one member representing county governments, one member representing city governments, and one member representing an organization that promotes clean lakes and rivers;

(3) five members, chosen by the other board members with regard to obtaining representation from a variety of types of lakes and rivers within the state, who are from lake associations representing designated star lakes or rivers, or until July 1, 2011, are eligible to achieve star lake or river designation;

(4) one member designated by the commissioner of natural resources;

(5) one member designated by the commissioner of the Pollution Control Agency;

(6) one member designated by the chair of the Board of Water and Soil Resources; and

(7) one member designated by the Indian Affairs Council.

(d) By January 15 of each odd-numbered year, the board shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment policy and finance on the activities for which money has been or will be spent for the current biennium, the applications for designation, and the star lakes or rivers designated by the board.

(e) Public members appointed by the speaker of the house and the senate Subcommittee on Committees of the Committee on Rules and Administration serve at the pleasure of the appointing authority.

Subd. 2. **Conflict of interest.** A board member may not participate in or vote on a decision of the board relating to an organization in which the member has either a direct or indirect personal financial interest. While serving on the Star Lake Board, a member shall avoid any potential conflict of interest.

Subd. 3. **Staff; contracts.** The board may hire staff or enter into contracts to carry out the activities of the board.

Subd. 4. **Bylaws.** The board shall adopt bylaws necessary for the conduct of the business of the board consistent with this section. The corporation must publish bylaws and amendments to the bylaws in the State Register.

Subd. 5. **Place of business.** The board shall locate and maintain the board's place of business within the state.

Subd. 6. **Chair.** The board shall annually elect from among its members a chair and other officers necessary for the performance of its duties.

Subd. 7. **Meetings.** The board shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the board. Board meetings are subject to chapter 13D.

Subd. 8. **Funds.** The board may accept and use gifts, grants, or contributions from any source. Unless otherwise restricted by the terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of and invest or reinvest the money, securities, or other property given or bequeathed to it. The principal of these funds, the income from them, and all other revenues received by the board from any nonstate source must be placed in the depositories the board determines and is subject to expenditure for the board's purposes.

Subd. 9. **Accounts; audits.** The board may establish funds and accounts necessary to carry out its responsibilities. The board shall provide for and pay the cost of an independent audit of its official books and records by the legislative auditor subject to sections 3.971 and 3.972. A copy of this audit shall be filed with the secretary of state.

Sec. 19. Minnesota Statutes 2006, section 103G.271, subdivision 6, is amended to read:

Subd. 6. **Water use permit processing fee.** (a) Except as described in paragraphs (b) to (f), a water use permit processing fee must be prescribed by the commissioner in accordance with the schedule of fees in this subdivision for each water use permit in force at any time during the year. The schedule is as follows, with the stated fee in each clause applied to the total amount appropriated:

- (1) ~~\$101~~ \$140 for amounts not exceeding 50,000,000 gallons per year;
- (2) ~~\$3~~ \$3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;
- (3) ~~\$3.50~~ \$4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year;
- (4) ~~\$4~~ \$4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;
- (5) ~~\$4.50~~ \$5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;
- (6) ~~\$5~~ \$5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;
- (7) ~~\$5.50~~ \$6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;
- (8) ~~\$6~~ \$6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year;
- (9) ~~\$6.50~~ \$7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less than 450,000,000 gallons per year;
- (10) ~~\$7~~ \$7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but less than 500,000,000 gallons per year; and
- (11) ~~\$7.50~~ \$8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.

(b) For once-through cooling systems, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

- (1) for nonprofit corporations and school districts, ~~\$150~~ \$200 per 1,000,000 gallons; and
- (2) for all other users, ~~\$300~~ \$420 per 1,000,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is \$100.

(d) For water use processing fees other than once-through cooling systems:

- (1) the fee for a city of the first class may not exceed \$250,000 per year;
- (2) the fee for other entities for any permitted use may not exceed:
 - (i) \$50,000 per year for an entity holding three or fewer permits;
 - (ii) \$75,000 per year for an entity holding four or five permits;
 - (iii) \$250,000 per year for an entity holding more than five permits;
- (3) the fee for agricultural irrigation may not exceed \$750 per year;

(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed \$10,000 for its permit for water use related to the cogeneration of electricity and steam; and

(5) no fee is required for a project involving the appropriation of surface water to prevent flood damage or to remove flood waters during a period of flooding, as determined by the commissioner.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water use processing fee for a permit issued for irrigation of agricultural land is \$20 for years in which:

- (1) there is no appropriation of water under the permit; or
- (2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) A surcharge of \$20 per million gallons in addition to the fee prescribed in paragraph (a) shall be applied to the volume of water used in each of the months of June, July, and August that exceeds the volume of water used in January for municipal water use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities with more than one permit shall be determined based on the total appropriations from all permits that supply a common distribution system.

Sec. 20. Minnesota Statutes 2007 Supplement, section 103G.291, subdivision 3, is amended to read:

Subd. 3. **Water supply plans; demand reduction.** (a) Every public water supplier serving more than 1,000 people must submit a water supply plan to the commissioner for approval by January 1, 1996. In accordance with guidelines developed by the commissioner, the plan must address projected demands, adequacy of the water supply system and planned improvements, existing and future water sources, natural resource impacts or limitations, emergency preparedness, water conservation, supply and demand reduction measures, and allocation priorities that are consistent with section 103G.261. Public water suppliers must update their plan and, upon notification, submit it to the commissioner for approval every ten years.

(b) The water supply plan in paragraph (a) is required for all communities in the metropolitan area, as defined in section 473.121, with a municipal water supply system and is a required element of the local comprehensive plan required under section 473.859. Water supply plans or updates submitted after December 31, 2008, must be consistent with the metropolitan area master water supply plan required under section 473.1565, subdivision 1, paragraph (a), clause (2).

(c) Public water suppliers serving more than 1,000 people must employ water use demand reduction measures, including a conservation rate structure, as defined in subdivision 4, paragraph (a), unless exempted under subdivision 4, paragraph (c), before requesting approval from the commissioner of health under section 144.383, paragraph (a), to construct a public water supply well or requesting an increase in the authorized volume of appropriation. Demand reduction measures must include evaluation of conservation rate structures and a public education program that may include a toilet and showerhead retrofit program.

(d) Public water suppliers serving more than 1,000 people must submit records that indicate the number of connections and amount of use by customer category and volume of water unaccounted for with the annual report of water use required under section 103G.281, subdivision 3.

(e) For the purposes of this ~~subdivision~~ section, "public water supplier" means an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

Sec. 21. Minnesota Statutes 2006, section 103G.291, is amended by adding a subdivision to read:

Subd. 4. Conservation rate structure required. (a) For the purposes of this section, "conservation rate structure" means a rate structure that encourages conservation and may include increasing block rates, seasonal rates, time of use rates, individualized goal rates, or excess use rates. The rate structure must consider each residential unit as an individual user in multiple-family dwellings.

(b) To encourage conservation, a public water supplier serving more than 1,000 people in the metropolitan area, as defined in section 473.121, subdivision 2, shall use a conservation rate structure by January 1, 2010. All remaining public water suppliers serving more than 1,000 people shall use a conservation rate structure by January 1, 2013.

(c) A public water supplier without the proper measuring equipment to track the amount of water used by its users, as of the effective date of this act, is exempt from this subdivision and the conservation rate structure requirement under subdivision 3, paragraph (c).

Sec. 22. Minnesota Statutes 2006, section 103G.615, subdivision 2, is amended to read:

Subd. 2. Fees. (a) The commissioner shall establish a fee schedule for permits to control or harvest aquatic plants other than wild rice. The fees must be set by rule, and section 16A.1283 does not apply, but the rule must not take effect until 45 legislative days after it has been reported to the legislature. The fees may not exceed \$750 per permit shall be based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit, and enforce aquatic plant management rules and permit requirements.

(b) ~~The~~ A fee for a permit for the control of rooted aquatic vegetation is \$35 for each contiguous parcel of shoreline owned by an owner may be charged. This fee may not be charged for permits issued in connection with purple loosestrife control or lakewide Eurasian water milfoil control programs.

(c) A fee may not be charged to the state or a federal governmental agency applying for a permit.

(d) The money received for the permits under this subdivision shall be deposited in the treasury and credited to the water recreation account.

Sec. 23. **[114D.50] CLEAN WATER FUND.**

The clean water fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the fund must be credited to the fund.

EFFECTIVE DATE. This section is effective July 1, 2009, if the constitutional amendment proposed in Laws 2008, chapter 151, is adopted by the voters.

Sec. 24. Minnesota Statutes 2006, section 116.07, subdivision 4, is amended to read:

Subd. 4. **Rules and standards.** Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the Pollution Control Agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1967, chapter 882, for the prevention, abatement, or control of air pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to sources or emissions of air contamination or air pollution, to the quality or composition of such emissions, or to the quality of or composition of the ambient air or outdoor atmosphere or to any other matter relevant to the prevention, abatement, or control of air pollution.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the Pollution Control Agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, chapter 1046, for the collection, transportation, storage, processing, and disposal of solid waste and the prevention, abatement, or control of water, air, and land pollution which may be related thereto, and the deposit in or on land of any other material that may tend to cause pollution. The agency shall adopt such rules and standards for sewage sludge, addressing the intrinsic suitability of land, the volume and rate of application of sewage sludge of various degrees of intrinsic hazard, design of facilities, and operation of facilities and sites. Any such rule or standard may be of general application throughout the state or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to collection, transportation, processing, disposal, equipment, location, procedures, methods, systems or techniques or to any other matter relevant to the prevention, abatement or control of water, air, and land pollution which may be advised through the control of collection, transportation, processing, and disposal of solid waste and sewage sludge, and the deposit in or on land of any other material that may tend to cause pollution. By January 1, 1983, the rules for the management of sewage sludge shall include an analysis of the sewage sludge determined by the commissioner of agriculture to be necessary to meet the soil amendment labeling requirements of section 18C.215. The rules for the disposal of solid waste shall include site-specific criteria to prohibit solid waste disposal based on the area's sensitivity to groundwater contamination, including site-specific testing. The rules shall also include modifications to financial assurance requirements under subdivision 4h that ensure the state is protected from financial responsibility for future groundwater contamination. Until the rules are modified to include site-specific criteria to prohibit areas from solid waste disposal due to groundwater contamination sensitivity, as required under this section, the agency shall not issue a permit for a new solid waste disposal facility, except for:

- (1) the reissuance of a permit for a land disposal facility operating as of March 1, 2008;
- (2) a permit to expand a land disposal facility operating as of March 1, 2008, beyond its permitted boundaries, including expansion on land that is not contiguous to, but is located within 600 yards of, the land disposal facility's permitted boundaries;
- (3) a permit to modify the type of waste accepted at a land disposal facility operating as of March 1, 2008;
- (4) a permit to locate a disposal facility that accepts only construction debris as defined in section 115A.03, subdivision 7;

(5) a permit to locate a disposal facility that:

(i) accepts boiler ash from an electric energy power plant that has wet scrubbed units or has units that have been converted from wet scrubbed units to dry scrubbed units as those terms are defined in section 216B.68;

(ii) is on land that was owned on May 1, 2008, by the utility operating the electric energy power plant; and

(iii) is located within three miles of the existing ash disposal facility for the power plant; or

(6) a permit to locate a new solid waste disposal facility for ferrous metallic minerals regulated under Minnesota Rules, chapter 6130, or for nonferrous metallic minerals regulated under Minnesota Rules, chapter 6132.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the Pollution Control Agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1971, chapter 727, for the prevention, abatement, or control of noise pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances or conditions in order to make due allowances for variations therein. Without limitation, rules or standards may relate to sources or emissions of noise or noise pollution, to the quality or composition of noises in the natural environment, or to any other matter relevant to the prevention, abatement, or control of noise pollution.

As to any matters subject to this chapter, local units of government may set emission regulations with respect to stationary sources which are more stringent than those set by the Pollution Control Agency.

Pursuant to chapter 14, the Pollution Control Agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of this chapter for generators of hazardous waste, the management, identification, labeling, classification, storage, collection, treatment, transportation, processing, and disposal of hazardous waste and the location of hazardous waste facilities. A rule or standard may be of general application throughout the state or may be limited as to time, places, circumstances, or conditions. In implementing its hazardous waste rules, the Pollution Control Agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long-term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and temporary storage.

The Pollution Control Agency shall give highest priority in the consideration of permits to authorize disposal of diseased shade trees by open burning at designated sites to evidence concerning economic costs of transportation and disposal of diseased shade trees by alternative methods.

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

Sec. 25. [129D.17] ARTS AND CULTURAL HERITAGE FUND.

The arts and cultural heritage fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the fund must be credited to the fund.

EFFECTIVE DATE. This section is effective July 1, 2009, if the constitutional amendment proposed in Laws 2008, chapter 151, is adopted by the voters.

Sec. 26. [173.0855] STAR LAKE OR RIVER SIGNS.

Subdivision 1. Authority to erect. (a) A county, statutory or home rule charter city, or town of Minnesota that contains a star lake or river designated under section 103B.701 may request the Department of Transportation to erect star lake or river signs pursuant to section 161.139. One sign may be erected at each approach to a lake or river within the right-of-way of an interstate or other highway that passes over a lake or river in the Department of Transportation's eight-county metropolitan district or near or over a lake or river in greater Minnesota.

(b) An official lake or river sign on the right-of-way of an interstate or other highway may be replaced with a star lake or river sign by the Department of Transportation pursuant to section 161.139.

Subd. 2. Sign standards. The Department of Transportation shall design and manufacture the star lake and river signs to specifications not contrary to other federal and state highway sign standards.

Sec. 27. Minnesota Statutes 2006, section 473.1565, subdivision 3, is amended to read:

Subd. 3. Reports to legislature. The council must submit reports to the legislature regarding its findings, recommendations, and continuing planning activities under subdivision 1. ~~The first report must be submitted to the legislature by the date the legislature convenes in 2007 and subsequent reports must be submitted by such date every five years thereafter.~~ These reports shall be included in the "Minnesota Water Plan" required in section 103B.151, and five-year interim reports may be provided as necessary.

Sec. 28. Laws 2007, chapter 57, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. Forest Management	44,495,000	43,393,000
Appropriations by Fund		
General	24,755,000	24,836,000
Natural Resources	19,483,000	18,293,000
Game and Fish	257,000	264,000

\$7,217,000 the first year and \$7,217,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. If the appropriation for either year is insufficient to cover all costs of presuppression and suppression, the amount necessary to pay for these costs during the biennium is appropriated from the general fund.

By November 15 of each year, the commissioner of natural resources shall submit a report to the chairs of the house and senate committees and divisions having jurisdiction over environment and natural resources finance, identifying all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations shall be deposited into the general fund.

\$17,983,000 the first year and \$18,293,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

Of this amount:

- (1) \$750,000 each year is for additional staff to enhance timber sales;
- (2) \$1,000,000 each year is for forest improvements;
- (3) \$1,100,000 each year is for forest road maintenance;
- (4) \$600,000 each year is for the ecological classification system on state forest lands;
- (5) \$350,000 each year is for the prevention of invasive species on state forest lands; and
- (6) \$400,000 each year is for the re-inventory of state forest lands.

Money for forest road maintenance is onetime.

\$780,000 the first year and \$780,000 the second year are for the Forest Resources Council for implementation of the Sustainable Forest Resources Act.

\$40,000 the first year is for the Forest Resources Council to provide a grant to

the University of Minnesota to prepare a statewide plan to address the fragmentation and parcelization of large blocks of forest land in the state.

\$200,000 in fiscal year 2008 is for a grant to the Forest Resources Research Advisory Committee to provide direction on research topics recommended by the governor's task force on the competitiveness of Minnesota's primary forest products industry.

\$350,000 the first year and \$350,000 the second year are for the FORIST timber management information system, other information systems, and for increased forestry management. The amount in the second year is also available in the first year.

\$257,000 the first year and \$264,000 the second year are from the game and fish fund to implement ecological classification systems (ECS) standards on forested landscapes. This appropriation is from revenue deposited in the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

\$110,000 the first year is to develop and implement a statewide information and education campaign regarding the statewide ban on the transport, storage, or use of nonapproved firewood on state-administered lands.

\$1,500,000 the first year is from the forest management investment account in the natural resources fund for the purposes of section 158. This is a onetime appropriation.

\$75,000 the first year is to the Forest Resources Council for a task force on forest protection and \$75,000 the second year is appropriated to the commissioner for grants to cities, counties, townships, special recreation areas, and park and recreation boards in cities of the first class for the identification, removal, disposal, and replacement of dead or dying shade trees lost to forest pests or disease. For purposes of this section,

"shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value. The commissioner shall consult with municipalities; park and recreation boards in cities of the first class; nonprofit organizations; and other interested parties in developing eligibility criteria. * **(The preceding text beginning "\$75,000 the first year" was indicated as vetoed by the governor.)**

\$200,000 in fiscal year 2008 is for a grant to the Natural Resources Research Institute for silvicultural research to improve the quality and quantity of timber fiber. The appropriation must be matched in the amount of \$200,000 in cash or in-kind contributions from the forest products industry members of the Minnesota Forest Productivity Research Cooperative.

\$1,000,000 the first year and \$1,000,000 the second year are to support additional ~~technical and cost share assistance to nonindustrial private forest (NIPF) landowners~~ forest management activities. The base appropriation in fiscal year 2010 and later is \$500,000.

\$200,000 the first year and \$200,000 the second year are to ~~address escalating land asset management demands, such as boundary disputes, access easements, and sale, exchange, and acquisition of forest lands~~ support additional forest management activities.

Sec. 29. Laws 2007, chapter 57, article 1, section 4, subdivision 6, is amended to read:

Subd. 6. Trails and Waterways Management	30,257,000	30,492,000
---	------------	------------

Appropriations by Fund

General	2,538,000	2,568,000
Natural Resources	25,600,000	25,730,000
Game and Fish	2,119,000	2,194,000

\$8,424,000 the first year and \$8,424,000

the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid. The additional money under this item may be used for new grant-in-aid trails. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$1,175,000 the first year and \$1,325,000 the second year are from the natural resources fund for off-highway vehicle grants-in-aid. Of this amount, \$825,000 the first year and \$1,075,000 the second year are from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and \$200,000 the first year and \$100,000 the second year are from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$261,000 the first year and \$261,000 the second year are from the water recreation account in the natural resources fund for a safe harbor program on Lake Superior.

\$742,000 the first year and \$760,000 the second year are from the natural resources fund for state trail operations and maintenance. The money may be used for trail maintenance, signage, mapping, interpretation, native prairie restoration using best management practices, and maintenance of nonmotorized forest trails. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

\$655,000 the first year and \$655,000 the second year are from the natural resources fund for trail grants to local units of government on land to be maintained for at least 20 years for the purposes of the grant. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94,

paragraph (e), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year. In addition, if a project financed under this program receives a federal grant award, the availability of the financing from this paragraph for that project is extended to equal the period of the federal grant.

\$150,000 the first year and \$150,000 the second year are from the all-terrain vehicle account for two all-terrain vehicle trail specialists to assist and consult with on all-terrain vehicle grant-in-aid education and training for sustainable trail development and maintenance, as well as providing training for public and private sector trail monitoring. The specialists may assist in the evaluation of grant-in-aid trail proposals, but not in the promotion of new trails.

\$1,965,000 the first year and \$2,040,000 the second year are from the game and fish fund for expenditures on water access sites according to the requirements of the federal sport and fish restoration program.

Money appropriated under Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 6, paragraph (h), for the Paul Bunyan State Trail connection is available until June 30, 2008.

\$400,000 each year is for operation and maintenance of nonmotorized trails within state forests. This is a onetime appropriation.

\$75,000 each year is for additional wild and scenic rivers program activities.

\$120,000 the first year is from the water recreation account in the natural resources fund to cooperate with local units of government in marking routes and designating river accesses and campsites under Minnesota Statutes, section 85.32. This is a onetime appropriation and available until spent.

The appropriation in Laws 2005, First

Special Session chapter 1, article 2, section 3, subdivision 6, from the lottery in lieu account in the natural resources fund for trail grants to local units of government, is available until June 30, 2009.

Sec. 30. MINING ADMINISTRATIVE FEE.

(a) Until a new application fee schedule is adopted for permits to mine or process taconite according to the report submitted by the commissioner of natural resources under this article, the commissioner shall charge the administrative fees established in paragraph (b), payable to the commissioner by June 30 of each year, beginning in 2008.

(b) A company that manages a taconite mining or taconite processing operation shall pay:

(1) \$90,000 if the total production of the company's combined operations in the state had an annual production of 10,000,000 or more tons of taconite pellets or iron nuggets during the previous calendar year;

(2) \$10,000 if the total production of the company's combined operations in the state had an annual production of less than 10,000,000 tons of taconite pellets or iron nuggets during the previous calendar year; and

(3) \$3,333 if the mining operation is permitted to mine, but had no annual production of taconite pellets or iron nuggets during the previous calendar year.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to companies that manage a taconite mining or taconite processing operation holding or applying for a permit to mine under Minnesota Statutes, section 93.481, during the 2007 calendar year.

Sec. 31. DEPARTMENT OF NATURAL RESOURCES RULEMAKING REQUIRED; STRUCTURES IN PUBLIC WATERS.

By January 15, 2010, the commissioner of natural resources shall update rules on structures that are allowed in public waters and the permit requirements for those structures under Minnesota Rules, chapter 6115. The Department of Natural Resources general permit no. 2008-0401 expires on the effective date of the updated rules.

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

Sec. 32. FIRST MEETING; DEADLINE FOR APPOINTMENTS.

The appointing authorities named in Minnesota Statutes, section 103B.702, must complete their appointments to the Star Lake Board by January 15, 2009, with the exception of the appointments required under Minnesota Statutes, section 103B.702, subdivision 1, paragraph (c), clause (3), which must be completed within 30 days of the first meeting of the board. The board member designated by the Board of Water and Soil Resources must convene the first meeting of the board no later than February 15, 2009.

Sec. 33. SOLID WASTE DISPOSAL RULES REPORT; LEGISLATIVE REVIEW.

By January 15, 2010, the Pollution Control Agency shall report to the senate and house of

representatives environment policy and finance committees and divisions on proposed rules, under Minnesota Statutes, section 116.07, subdivision 4, to prohibit the disposal of solid waste in specific areas due to the sensitivity of the area to groundwater contamination.

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

Sec. 34. INDUSTRIAL AND CONSTRUCTION AND DEMOLITION LANDFILL WORKING GROUP.

The commissioner of the Pollution Control Agency shall, by July 15, 2008, convene a working group to develop, evaluate, and recommend policies and legislation regarding the management of industrial solid waste and construction and demolition debris in land disposal facilities. The commissioner shall appoint members of the working group, including representatives from counties, state agencies, private landfill owners, waste haulers, environmental organizations, and other interested parties to serve on the working group. The Pollution Control Agency shall serve as staff to the working group. The working group shall submit a report of its findings and recommendations to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environmental policy and environmental finance by January 15, 2009.

ARTICLE 6

ENERGY, COMMERCE, UTILITIES

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations or reductions, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ (2,670,000)	\$ (1,436,000)	\$ (4,106,000)

Sec. 2. APPROPRIATIONS.

The dollar amounts in the columns under "APPROPRIATIONS" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 57, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2008</u>	<u>2009</u>

Sec. 3. **COMMERCE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>(2,670,000)</u>	<u>\$</u>	<u>(1,436,000)</u>
<u>Subd. 2. Administration</u>		<u>-0-</u>		<u>84,000</u>

\$46,000 in the second year is a base reduction to the administration program and the Office of Energy Security.

\$130,000 in the second year is a base increase for staffing to enhance unclaimed property compliance.

<u>Subd. 3. Market Assurance</u>		<u>(270,000)</u>		<u>(270,000)</u>
---	--	-------------------------	--	-------------------------

This is a base reduction to the do not call program.

<u>Subd. 4. Energy and Telecommunications</u>		<u>(2,400,000)</u>		<u>(1,250,000)</u>
--	--	---------------------------	--	---------------------------

\$200,000 in the first year is for the solar rebate program. Equipment used to heat hot water at a residential property for domestic use, not including equipment used for a hot tub or swimming pool, is eligible for the solar rebate program. This is a onetime appropriation and is available until spent.

Of the amounts appropriated from the special revenue fund in the second year to the commissioner of commerce for renewable energy research under Laws 2007, chapter 57, article 2, section 3, subdivision 6, clause (7), \$500,000 must be used to support the algae-to-biofuels research project at the University of Minnesota and the Metropolitan Council.

Money appropriated from the special revenue fund for renewable energy research under Laws 2007, chapter 57, article 2, section 3, subdivision 6, clause (7), may be used for a grant to a cellulosic ethanol facility using paper mill sludge.

Of the assessment amount authorized under Minnesota Statutes, section 216B.241, subdivision 1e, up to \$200,000 in the second

year shall be used for the required report and activities of the Green Jobs Task Force established in this article. This is a onetime appropriation.

Of the amounts appropriated in the second year to the commissioner of commerce from the special revenue fund for environmentally friendly automotive technology projects under Laws 2007, chapter 57, article 2, section 3, subdivision 6, clause (4), up to \$200,000 is for the green economy report and the statewide action plan and other activities of the Green Jobs Task Force established in this article, of which no more than \$50,000 may be spent for the green economy report; \$100,000 is for the city of St. Paul for a site evaluation of the Ford manufacturing plant and for workforce development and skills assessment of the Ford employees; and \$250,000 is for activities and research for the Green Manufacturing Initiative by a statewide organization dedicated to furthering the green economy and its fiscal agent.

\$1,250,000 is a reduction from the fiscal year 2009 appropriation for E-85 cost share grants. The base for the grant program in fiscal year 2010 is \$1,000,000. The base for fiscal year 2011 is \$0.

\$2,600,000 is a reduction from the fiscal year 2008 appropriation for renewable hydrogen initiative grants.

Subd. 5. Transfers

(a) Insurance Fraud Prevention Account

Prior to July 31, 2008, the commissioner of finance shall transfer \$1,500,000 from the unexpended balance of the insurance fraud prevention account established in Minnesota Statutes, section 45.0135, to the general fund.

After June 15, 2009, and prior to June 30, 2009, the commissioner of finance shall transfer \$1,500,000 from the unexpended balance of the insurance fraud prevention

account established in Minnesota Statutes, section 45.0135, to the general fund.

(b) Real Estate Education, Research and Recovery Fund

Prior to July 31, 2008, the commissioner of finance shall transfer \$850,000 from the unexpended balance of the real estate education, research and recovery fund established in Minnesota Statutes, section 82.43, to the general fund.

(c) Consumer Education Account

Prior to July 31, 2008, the commissioner of finance shall transfer \$100,000 from the unexpended balance of the consumer education account established under Minnesota Statutes, section 58.10, to the general fund.

(d) Automobile Theft Prevention Account

Prior to July 31, 2008, the commissioner of finance shall transfer \$230,000 from the unexpended balance of the automobile theft prevention account established in Minnesota Statutes, section 168A.40, to the general fund.

(e) Assigned Risk Plan

By June 30, 2009, the commissioner of finance shall transfer \$10,000,000 in assets of the workers' compensation assigned risk plan created under Minnesota Statutes, section 79.252, to the general fund.

Sec. 4. PUBLIC UTILITIES COMMISSION

Prior to July 31, 2008, the commissioner of finance shall transfer \$4,000,000 from the telephone assistance fund established in Minnesota Statutes, section 237.701, to the general fund.

Sec. 5. Minnesota Statutes 2007 Supplement, section 80A.65, subdivision 1, is amended to read:

Subdivision 1. **Registration or notice filing fee.** (a) There shall be a filing fee of \$100 for every application for registration or notice filing. There shall be an additional fee of one-tenth of one

percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the maximum combined fees shall not exceed \$300.

(b) When an application for registration is withdrawn before the effective date or a preeffective stop order is entered under section 80A.54, all but the \$100 filing fee shall be returned. If an application to register securities is denied, the total of all fees received shall be retained.

(c) Where a filing is made in connection with a federal covered security under section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing. If the filing is made in connection with redeemable securities issued by an open end management company or unit investment trust, as defined in the Investment Company Act of 1940, there is an additional annual fee of 1/20 of one percent of the maximum aggregate offering price at which the securities are to be offered in this state during the notice filing period. The fee must be paid at the time of the initial filing and thereafter in connection with each renewal no later than July 1 of each year and must be sufficient to cover the shares the issuer expects to sell in this state over the next 12 months. If during a current notice filing the issuer determines it is likely to sell shares in excess of the shares for which fees have been paid to the administrator, the issuer shall submit an amended notice filing to the administrator under section 80A.50, together with a fee of 1/20 of one percent of the maximum aggregate offering price of the additional shares. Shares for which a fee has been paid, but which have not been sold at the time of expiration of the notice filing, may not be sold unless an additional fee to cover the shares has been paid to the administrator as provided in this section and section 80A.50. If the filing is made in connection with redeemable securities issued by such a company or trust, there is no maximum fee for securities filings made according to this paragraph. If the filing is made in connection with any other federal covered security under Section 18(b)(2) of the Securities Act of 1933, there is an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the combined fees shall not exceed \$300. ~~Beginning with fiscal year 2001 and continuing each fiscal year thereafter, as of the last day of each fiscal year, the administrator shall determine the total amount of all fees that were collected under this paragraph in connection with any filings made for that fiscal year for securities of an open end investment company on behalf of a security that is a federal covered security pursuant to section 18(b)(2) of the Securities Act of 1933. To the extent the total fees collected by the administrator in connection with these filings exceed \$25,600,000 in a fiscal year, the administrator shall refund, on a pro rata basis, to all persons who paid any fees for that fiscal year, the amount of fees collected by the administrator in excess of \$25,600,000. No individual refund is required of amounts of \$100 or less for a fiscal year.~~

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

Sec. 6. Minnesota Statutes 2007 Supplement, section 216C.41, subdivision 3, is amended to read:

Subd. 3. **Eligibility window.** Payments may be made under this section only for:

(a) electricity generated from:

(1) a qualified hydroelectric facility that is operational and generating electricity before December 31, ~~2009~~ 2011;

(2) a qualified wind energy conversion facility that is operational and generating electricity before January 1, 2008; or

(3) a qualified on-farm biogas recovery facility from July 1, 2001, through December 31, 2017; and

(b) gas generated from a qualified on-farm biogas recovery facility from July 1, 2007, through December 31, 2017.

Sec. 7. Minnesota Statutes 2006, section 216C.41, subdivision 4, is amended to read:

Subd. 4. **Payment period.** (a) A facility may receive payments under this section for a ten-year period. No payment under this section may be made for electricity generated:

(1) by a qualified hydroelectric facility after December 31, ~~2019~~ 2021;

(2) by a qualified wind energy conversion facility after December 31, 2018; or

(3) by a qualified on-farm biogas recovery facility after December 31, 2015.

(b) The payment period begins and runs consecutively from the date the facility begins generating electricity or, in the case of refurbishment of a hydropower facility, after substantial repairs to the hydropower facility dam funded by the incentive payments are initiated.

Sec. 8. Minnesota Statutes 2006, section 325E.313, is amended to read:

325E.313 NO-CALL LIST.

Subdivision 1. **Establishment of list.** The commissioner shall establish and maintain a list of telephone numbers of residential subscribers who object to receiving telephone solicitations. The commissioner may fulfill the requirements of this subdivision by contracting with an agent for the establishment and maintenance of the list. The list must be established by January 1, 2003.

Subd. 2. **Operation and maintenance of list.** (a) Each local exchange company must inform its residential subscribers of the opportunity to provide notification to the commissioner or its contractor that the subscriber objects to receiving telephone solicitations. The notification must be made in the manner prescribed by the commissioner.

(b) Any residential subscriber may contact the commissioner or the commissioner's agent and give notice, in the manner prescribed by the commissioner, that the subscriber objects to receiving telephone solicitations. The commissioner shall add the telephone number of any subscriber who gives notice of objection to the list maintained pursuant to subdivision 1 within 90 days of the date the notice is received.

~~(c) Any notice given by a subscriber under this subdivision shall be effective for four years unless revoked by the subscriber. Any subsequent notices given by the same subscriber related to a different telephone number are separate from the original notice.~~

~~(d)~~ (c) The commissioner shall allow consumers to give notice under this subdivision by mail or electronically.

~~(e)~~ (d) The commissioner shall establish the procedures by which a person wishing to make telephone solicitations may obtain access to the list. Those procedures shall, to the extent practicable, allow for access to paper or electronic copies of the list.

Subd. 3. **Use of federal list.** If, pursuant to United States Code, title 15, section 6102(a), the

Federal Trade Commission establishes a national list of telephone numbers of subscribers who object to receiving telephone solicitations, the commissioner ~~shall include subscribers who live in Minnesota and are included in the national list in the list established under this section. The commissioner shall also transmit to the Federal Trade Commission the telephone numbers included on the no-call list established under this section and shall request that they be included in the national list~~ may consider the Federal Trade Commission as its agent for the establishment and maintenance of a list.

Sec. 9. Minnesota Statutes 2006, section 325E.314, is amended to read:

325E.314 FEES; ACQUISITION AND USE OF LIST.

~~(a) A person or entity desiring to make telephone solicitations shall pay a fee, payable to the commissioner, for access to, or for paper or electronic copies of, the list established under section 325E.313. The fee shall not exceed \$125 for each acquisition of the list. The fee shall not exceed \$90 in fiscal year 2004, and the fee shall not exceed \$75 in fiscal year 2005 and thereafter.~~

~~(b)~~ (a) A caller who makes a telephone solicitation to the telephone line of any residential subscriber must, at the time of the call, have obtained access to a current version of the list at least once in the 90 days prior to the call. A caller who complies with this requirement is not liable for any violation of section 325E.312 relating to a solicitation made to a subscriber during the first 30 days after the caller first obtained a copy of the list including that subscriber's telephone number that has not been superseded by a later list obtained by the caller that does not include the subscriber's telephone number.

~~(c)~~ (b) If the Federal Trade Commission establishes a national do-not-call list as described in section 325E.313, subdivision 3 2, a person or entity who is required by law to obtain a copy of the national list ~~is not required to purchase or retain a copy of the list established by the commissioner, unless the Federal Trade Commission fails to incorporate the Minnesota names transmitted by the commissioner~~ may meet its requirement through proof of purchase of the Minnesota numbers from the federal list.

Sec. 10. Minnesota Statutes 2006, section 609.531, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the Bureau of Criminal Apprehension, the Department of Commerce Division of Insurance Fraud Prevention, the Minnesota Division of Driver and Vehicle

Services, the Minnesota State Patrol, a county sheriff's department, the Three Rivers Park District park rangers, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, the Department of Corrections' Fugitive Apprehension Unit, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, chapter 152, or chapter 624;

(2) for driver's license or identification card transactions: any violation of section 171.22; and

(3) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.282; 609.283; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.352; 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Sec. 11. **GREEN ECONOMY REPORT.**

(a) Each state agency, other than the Iron Range Resources and Rehabilitation Board or the Office of the Commissioner of Iron Range Resources and Rehabilitation, that administers a loan or grant program must assess those programs to determine their potential to advance or promote the growth of the green economy, as defined in Minnesota Statutes, section 116J.437. An agency must report on its determination to the commissioner of commerce by September 15, 2008.

(b) If a program is determined to have significant potential, the agency must develop a plan to integrate program elements appropriate to that program to advance or promote the growth of the green economy in this state. An agency must report on its plan to the commissioner of commerce by November 15, 2008.

(c) The commissioner of commerce, in consultation with the commissioner of employment and economic development, must develop guidelines to be followed by state agencies in complying with this section.

(d) By January 15, 2009, the commissioner of commerce, in consultation with the commissioner of employment and economic development, must submit a report containing the plans developed under paragraph (b), and any recommended implementing legislation, to the chairs and ranking minority members of the senate and house committees with primary jurisdiction over energy, environmental and economic development policy, and finance.

(e) The commissioner of commerce may contract for services to fulfill the commissioner's duties under this section.

Sec. 12. **GREEN JOBS TASK FORCE.**

Subdivision 1. **Task force.** (a) A Green Jobs Task Force is created to advise and assist the governor and legislature regarding activities to advance the state's economy, and to develop a statewide action plan as provided under subdivision 2. The task force shall be appointed no later than June 30, 2008, and consist of:

(1) three members of the house of representatives, including one member of the minority party appointed by the speaker;

(2) three members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority;

(3) seven representatives from state agencies and institutions appointed by the governor, including one member from the Office of Energy Security, one member from the Department of Employment and Economic Development, one member from the Job Skills Partnership Board, one member from the University of Minnesota, one member from Minnesota State Colleges and Universities, one member from the Pollution Control Agency, and one member from the Department of Natural Resources;

(4) three public members appointed by the governor, including one member representing the manufacturing industry, one member representing a statewide organization dedicated to commerce, and one member representing the Agricultural Utilization Research Institute;

(5) four public members appointed by the speaker of the house of representatives, including one member representing labor, one member representing a statewide environmental organization, one member representing financial institutions or venture capital, and one member from a local economic development authority from greater Minnesota; and

(6) four public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, including one member from a local economic development authority from the metropolitan area, one member from a statewide organization dedicated to furthering the green economy, one member from a firm currently engaged in green manufacturing, and one local workforce development representative from an area that has experienced significant manufacturing job loss.

(b) The commissioner of commerce, in cooperation with the commissioner of employment and economic development, shall provide staff support to the task force. The task force may accept outside resources to help support its efforts.

(c) Each of the legislative appointing authorities must name a cochair of the task force from the legislative members appointed by that authority.

(d) Public members of the task force must be compensated as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 2. **Duties.** (a) By January 15, 2009, the task force shall develop and present to the legislature under Minnesota Statutes, section 3.195, and to the governor a statewide action plan to optimize the growth of the green economy. For the purpose of this section, "green economy" has the meaning given it by new Minnesota Statutes, section 116J.437, if enacted.

(b) The plan must include necessary draft legislation and budget requests and may include administrative actions of governmental entities, collaborative actions, and actions of individuals

and individual organizations. The plan must be developed following the analysis described in this paragraph and must be based on the analysis. The analysis must include:

(1) a market analysis of the business opportunities and needs created by the laws enumerated in paragraph (a), including local, state, national, and international markets;

(2) an analysis of the labor force needs related to the market analysis opportunities identified in clause (1), including educational, training, and retraining needs; and

(3) an inventory of the current labor and business assets available to respond to the opportunities identified in clause (1) and the labor needs identified in clause (2).

The task force shall contract for the analysis required by this paragraph.

Subd. 3. **Expiration.** The task force expires June 30, 2009.

ARTICLE 7

AGRICULTURE

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$	(200,000)	\$	388,000	\$	188,000

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 45, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2008</u>	<u>2009</u>
Sec. 3. <u>AGRICULTURE</u>	\$	(200,000)	\$ 388,000

\$302,000 is a reduction in 2009. The commissioner shall make a reduction of \$100,000 from agricultural marketing, \$100,000 shall come from efficiencies gained

by the merger of the Agriculture Resources Management and Development Division and the Agriculture Finance Division, and the remainder shall come from a reduction in administrative services in Saint Paul.

\$1,000,000 in 2009 is for the livestock investment grant program in new Minnesota Statutes, section 17.118, if enacted. The commissioner may use up to 4-1/2 percent of this appropriation for costs incurred to administer the program. This is a onetime appropriation and is available until spent.

The \$200,000 appropriation in Laws 2007, chapter 45, article 1, section 3, subdivision 4, for a grant to the Elk River Economic Development Authority for a bioenergy project is canceled to the general fund.

\$310,000 is a reduction in 2009 of the appropriation for ethanol producer payments in Laws 2007, chapter 45, article 1, section 3, subdivision 4. This reduction is onetime.

By January 15, 2009, the commissioner shall report to the house and senate committees with jurisdiction over agriculture finance a proposal for paying unpaid claimants of an entity no longer producing ethanol on a commercial scale at the location for which it qualified for producer payments.

Sec. 4. BOARD OF ANIMAL HEALTH.

Notwithstanding Minnesota Statutes, section 35.085, the Board of Animal Health shall make a onetime grant of up to \$12,000 to a beef cattle producer from the \$100,000 appropriation for reimbursements in Laws 2007, chapter 45, article 1, section 4. The eligible beef cattle producer is located outside of a bovine tuberculosis containment area and purchased certified tuberculosis-free cattle yet sustained financial losses beyond the producer's control due to restrictions imposed by the Board of Animal Health that effectively denied the producer the ability to sell the tuberculosis-free cattle during

favorable market conditions.

Sec. 5. Minnesota Statutes 2006, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. **Ethanol producer payments.** (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production at a specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, except as provided in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific location on or before June 30, 2000, or ten years after the start of production, whichever is later. Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more of the entity. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol

production filed under this subdivision, the volume of ethanol production must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because of unallotment or because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full, except the commissioner shall not make a deficiency payment to an entity that no longer produces ethanol on a commercial scale at the location for which the entity qualified for producer payments, or to an assignee of the entity.

(i) The commissioner may make direct payments to producers of rural economic infrastructure with any amount of the annual appropriation for ethanol producer payments and rural economic infrastructure that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 6. Laws 2007, chapter 45, article 1, section 3, subdivision 4, is amended to read:

Subd. 4. Bioenergy and Value-Added Agricultural Products

19,918,000 15,168,000

\$15,168,000 the first year and \$15,168,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for

deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs including the value-added agricultural product processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent.

\$3,000,000 the first year is for grants to bioenergy projects. The NextGen Energy Board shall make recommendations to the commissioner on grants for owners of Minnesota facilities producing bioenergy, organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems, or certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic material via gasification or other processes. The board must give priority to a bioenergy facility that is at least 60 percent owned and controlled by farmers, as defined in Minnesota Statutes, section 500.24, subdivision 2, paragraph (n), or natural persons residing in the county or counties contiguous to where the facility is located. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy production or ~~\$500,000~~ \$1,000,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed \$150,000. The board shall make a good faith effort to select projects that have merit and when taken together represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions

of the state. Projects must have a qualified engineer certification on the technology and fuel source. Grantees shall provide reports at the request of the commissioner and must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable. No later than February 1, 2009, the commissioner shall report on the projects funded under this appropriation to the house and senate committees with jurisdiction over agriculture finance. The commissioner's costs in administering the program may be paid from the appropriation.

\$350,000 the first year is for grants to the Minnesota Institute for Sustainable Agriculture at the University of Minnesota to provide funds for on-station and on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems including, but not limited to, multiple species selection and establishment, ecological management between planting and harvest, harvest technologies, financial and agronomic risk management, farmer goal setting and adoption of technologies, integration of wildlife habitat into management approaches, evaluation of carbon and other benefits, and robust policies needed to induce farmer conversion on marginal lands.* **(The preceding text beginning "\$350,000 the first year" was indicated as vetoed by the governor.)**

\$200,000 the first year is for a grant to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable

Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to a joint venture combined heat and power energy facility located in Scott or LeSueur County for the creation of a centrally located biomass fuel supply depot with the capability of unloading, processing, testing, scaling, and storing renewable biomass fuels. The grant must be matched by at least \$3 of nonstate funds for every \$1 of state funds. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$300,000 the first year is for a grant to the Bois Forte Band of Chippewa for a feasibility study of a renewable energy biofuels demonstration facility on the Bois Forte Reservation in St. Louis and Koochiching Counties. The grant shall be used by the Bois Forte Band to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility on Bois Forte Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$300,000 the first year is for a grant to the White Earth Band of Chippewa for a feasibility study of a renewable energy

biofuels production, research, and production facility on the White Earth Reservation in Mahnomen County. The grant must be used by the White Earth Band and the University of Minnesota to conduct a detailed feasibility study of the economic and technical viability of (1) developing a multistream renewable energy biofuels demonstration facility on White Earth Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy, and (2) developing, harvesting, and marketing native prairie plants and seeds for bioenergy production. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to the Elk River Economic Development Authority for upfront engineering and a feasibility study of the Elk River renewable fuels facility. The facility must use a plasma gasification process to convert primarily cellulosic material, but may also use plastics and other components from municipal solid waste, as feedstock for the production of methanol for use in biodiesel production facilities. Any unencumbered balance in fiscal year 2008 does not cancel but is available for fiscal year 2009. Notwithstanding Minnesota Statutes, section 16A.285, the agency must not transfer this appropriation. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to Chisago County to conduct a detailed feasibility study of the economic and

technical viability of developing a multistream renewable energy biofuels demonstration facility in Chisago, Isanti, or Pine County to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. Chisago County may expend funds to Isanti and Pine Counties and the University of Minnesota for any costs incurred as part of the study. The feasibility study must consider the capacity of: (1) the seed bank at Wild River State Park to expand the existing prairie grass, woody biomass, and cellulosic material resources in Chisago, Isanti, and Pine Counties; (2) willing and interested landowners in Chisago, Isanti, and Pine Counties to grow cellulosic materials; and (3) the Minnesota Conservation Corps, the sentence to serve program, and other existing workforce programs in east central Minnesota to contribute labor to these efforts. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

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

ARTICLE 8

VETERANS AFFAIRS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>		<u>2009</u>	<u>Total</u>
<u>General</u>	\$	-0-	\$ 4,145,000	\$ 4,145,000
<u>Special Revenue</u>		-0-	(338,000)	(338,000)

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 45, article 2, to the agencies

and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

Sec. 3. **VETERANS AFFAIRS**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>3,807,000</u>
--	------------------	-------------------	------------------	-------------------------

The appropriation additions or reductions for each purpose are shown in the following paragraphs.

\$500,000 in 2009 is added to the base for grants to counties for veterans service offices as provided under Laws 2007, chapter 45, article 2, section 1, paragraph (b). This is a onetime appropriation.

\$2,500,000 in 2009 is for state soldiers assistance under Minnesota Statutes, section 197.05. Of this amount, \$1,500,000 is added to the base for this activity. This appropriation is available until spent. The appropriation for state soldiers assistance for 2009 in Laws 2007, chapter 45, article 2, section 1, is available in 2008 if the appropriation for 2008 is insufficient.

\$500,000 in 2009 is for casework services for veterans. The commissioner, in consultation with the Department of Administration, shall use the request for proposal process in Minnesota Statutes, chapter 16C, to solicit bids for the provision of these services. The casework services provided should be community-based, available statewide, and include in-home counseling.

\$220,000 in 2009 is added to the base for

operations of the LinkVET telephone line service for veterans.

For purposes of efficiency, the commissioner must combine the services available through the toll-free higher education call center for veterans with those available through LinkVET.

\$250,000 in 2009 is for a grant to the Minnesota Assistance Council for Veterans for their work in helping veterans and their families affected by homelessness.

\$250,000 in 2009 is for the Veterans Claims Office for outreach and training to improve services and benefits to veterans. This appropriation includes money to add veterans service officer/coordinator positions, including one to assist female veterans.

\$25,000 in 2009 is to develop a pilot program for peer-to-peer counseling among combat veterans. This is a onetime appropriation.

\$338,000 is a reduction in 2009 from the special revenue fund appropriation from the account established in Minnesota Statutes, section 190.19.

\$200,000 in 2009 is a onetime appropriation for:

(1) an intergovernmental and veterans strategic planning study for the Minnesota veterans homes, with special emphasis on exploring alternative models for the Minneapolis veterans home;

(2) a study of the feasibility of partnering for home-based services for veterans with nongovernmental, nonprofit, or faith-based social service and health care delivery organizations, as a means of enabling veterans to live more independently, as an alternative to the projected sharply increasing needs for domiciliary and skilled nursing beds in state veterans homes. This is a onetime appropriation; and

(3) designing a treatment program for veterans with traumatic brain injuries within the state veterans homes.

\$300,000 is a reduction in 2009 for the Veterans Homes Board. The base appropriation for fiscal years 2010 and 2011 is reduced by \$300,000 in each year. This reduction is made possible by the enhanced efficiency in administration of the homes associated with the transfer of governing authority from the Veterans Homes Board to the commissioner of veterans affairs.

Subd. 2. Report to the Legislature

By January 15, 2009, the commissioner shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over veterans affairs policy and finance regarding activities and expenditures in programs receiving an appropriation in this article.

Sec. 4. Minnesota Statutes 2006, section 168.1255, is amended by adding a subdivision to read:

Subd. 6. **World War II memorial donation match account.** Money remaining in the World War II memorial donation match account after the state share of the construction costs of the World War II memorial has been paid in full is appropriated to the commissioner of veterans affairs for services and programs for veterans and their families.

Sec. 5. Minnesota Statutes 2006, section 190.19, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Minnesota "Support Our Troops" account is established in the special revenue fund. The account shall consist of contributions from private sources and appropriations. Money in the account is appropriated in equal shares to the Department of Military Affairs and the Department of Veterans Affairs.

EFFECTIVE DATE. Notwithstanding Laws 2007, chapter 45, article 2, section 1, and article 3, section 2, subdivision 3, this section is effective for distribution of the Minnesota "Support Our Troops" account the day following final enactment.

Sec. 6. Minnesota Statutes 2006, section 190.19, is amended by adding a subdivision to read:

Subd. 2a. **Uses; veterans.** Money appropriated to the Department of Veterans Affairs from the Minnesota "Support Our Troops" account may be used for:

- (1) grants to veterans service organizations; and
- (2) outreach to underserved veterans.

Sec. 7. Laws 2007, chapter 144, article 1, section 7, is amended to read:

Sec. 7. **DEPARTMENT OF VETERANS AFFAIRS.** \$ 6,000,000 \$ 6,000,000

For grants to eligible veterans or the eligible spouses and children of veterans as provided under Minnesota Statutes, section 197.791. If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

Of this appropriation, no more than ~~three percent~~ \$100,000 each year may be used for the administrative costs of operating this program.

On June 1, 2009, the commissioner of finance must determine the amount needed to fully fund the grant program under Minnesota Statutes, section 197.791, and must adjust the appropriations in this section to the amount needed to provide grants for all eligible veterans.

ARTICLE 9

MILITARY AFFAIRS

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
General	\$ -0-	\$ 390,000	390,000
Special Revenue	-0-	(338,000)	(338,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 45, article 3, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS

	<u>Available for the Year</u>		
	<u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>	
Sec. 3. <u>MILITARY AFFAIRS</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>52,000</u>

\$75,000 in 2009 is to establish a state enhancement of the employer support of the guard and reserve program. The funding base for this activity is \$35,000 each year in fiscal years 2010 and 2011.

\$135,000 in 2009 is to make \$1,000 biannual bonus payments to National Guard medics who meet recertification requirements during the fiscal year.

\$180,000 in 2009 is to add "state navigator" positions to coordinate state agency programs and activities to support and assist soldiers and their families during and after the reintegration process.

\$338,000 is a reduction in 2009 from the special revenue fund appropriation from the account established in Minnesota Statutes, section 190.19.

Sec. 4. Minnesota Statutes 2007 Supplement, section 190.19, subdivision 2, is amended to read:

Subd. 2. **Uses.** (a) Money appropriated from the Minnesota "Support Our Troops" account to the Department of Military Affairs may be used for:

- (1) grants directly to eligible individuals;
- (2) grants to one or more eligible foundations for the purpose of making grants to eligible individuals, as provided in this section; ~~or~~
- (3) veterans' services; or
- (4) grants to family readiness groups chartered by the adjutant general.

(b) As used in paragraph (a), the term, "eligible individual" includes any person who is:

- (1) a member of the Minnesota National Guard or a reserve unit based in Minnesota who has been called to active service as defined in section 190.05, subdivision 5;
- (2) a Minnesota resident who is a member of a military reserve unit not based in Minnesota, if the member is called to active service as defined in section 190.05, subdivision 5;
- (3) any other Minnesota resident performing active service for any branch of the military of the

United States;

(4) a person who served in one of the capacities listed in clause (1), (2), or (3) who has current financial needs directly related to that service; and

(5) a member of the immediate family of an individual identified in clause (1), (2), (3), or (4). For purposes of this clause, "immediate family" means the individual's spouse and minor children and, if they are dependents of the member of the military, the member's parents, grandparents, siblings, stepchildren, and adult children.

(c) As used in paragraph (a), the term "eligible foundation" includes any organization that:

(1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code;

(2) has articles of incorporation under chapter 317A specifying the purpose of the organization as including the provision of financial assistance to members of the Minnesota National Guard and other United States armed forces reserves and their families and survivors; and

(3) agrees in writing to distribute any grant money received from the adjutant general under this section to eligible individuals as defined in this section and in accordance with any written policies and rules the adjutant general may impose as conditions of the grant to the foundation.

(d) The maximum grant awarded to an eligible individual under paragraph (a) in a calendar year with funds from the Minnesota "Support Our Troops" account, either through an eligible institution or directly from the adjutant general, may not exceed \$2,000.

Sec. 5. Minnesota Statutes 2006, section 190.25, subdivision 3, is amended to read:

Subd. 3. **Sale; use of funds.** The adjutant general is authorized to sell in the manner provided by law any or all

(1) land, and

(2) ~~timber,~~ growing crops, buildings, and other improvements, if any, situated upon the land, acquired under the authority of subdivision 1 or which may hereafter comprise the Camp Ripley Military Field Training Center and not needed for military training purposes. The proceeds of any sales shall be deposited in the general fund.

The adjutant general may use funds that are directly appropriated for the acquisition of land, the payment of expenses of forest management on land forming the Camp Ripley Military Reservation, and the provision of an Enlisted Person's Service Center. If amounts that are directly appropriated for these purposes in either year of a biennium are insufficient, the appropriation for the other year of the biennium is available.

Sec. 6. Minnesota Statutes 2006, section 190.25, is amended by adding a subdivision to read:

Subd. 3a. **Timber sales; use of funds.** The adjutant general is authorized to sell in the manner provided by law any or all timber on land acquired under the authority of subdivision 1 or which may hereafter comprise the Camp Ripley Military Field Training Center. The proceeds of any sales of timber under this subdivision must be deposited in an account in the special revenue fund and are appropriated to the adjutant general to be used to manage the timber resources of Camp Ripley in a manner consistent with the camp's purpose as lands for training armed forces.

Sec. 7. [192.341] STATE ENHANCED EMPLOYER SUPPORT OF GUARD AND RESERVE (ESGR) PROGRAM.

The adjutant general is authorized to establish and administer a state enhancement to the federal Employer Support of Guard and Reserve (ESGR) Program. The adjutant general shall develop policy and guidelines for the administration of the program established under this section.

Sec. 8. Minnesota Statutes 2006, section 192.501, is amended by adding a subdivision to read:

Subd. 1c. Medic recertification bonus program. (a) The adjutant general may establish a program to provide a recertification bonus to eligible members of the Minnesota National Guard who recertify as emergency medical technicians (EMTs) in the National Guard within the limitations of this subdivision. The bonus payments are intended to generally encourage a member's continuing certification as an EMT.

(b) Eligibility for the recertification bonus is limited to a member of the National Guard who:

(1) is serving satisfactorily as determined by the adjutant general; and

(2) has successfully completed the training required for recertification and warrants the payment of a bonus.

(c) The adjutant general may, within the limitations of this subdivision and other applicable laws, determine additional eligibility criteria for the bonus, and must specify all of the criteria in regulations and publish changes as necessary.

(d) Payments under this subdivision must be made on a schedule that is determined and published in department regulations by the adjutant general.

Sec. 9. Minnesota Statutes 2006, section 192.501, is amended by adding a subdivision to read:

Subd. 2a. Usage of tuition and textbook reimbursement grant program by spouse permitted. (a) Notwithstanding the eligibility limitations of subdivision 2, paragraph (b), the spouse of a person eligible under subdivision 2, paragraph (b), is eligible to use up to 12 semester hours per year, or the equivalent amount of quarter credits, of that eligible person's unused tuition reimbursement benefit for each year of service in the Minnesota National Guard after the eighth year of such service.

(b) Total benefits under this subdivision cannot exceed the total unused portion of the service member's benefit. A service member's and spouse's eligibility for tuition reimbursement under this subdivision is limited by the provisions of subdivision 2, paragraph (g).

Sec. 10. STARBASE STUDY.

The appropriation in Laws 2007, chapter 45, article 3, section 2, subdivision 3, for a longitudinal study measuring improvement in academic achievement as a result of participation in the Starbase program is available until June 30, 2009. The Department of Military Affairs must contract with the Wilder Foundation to conduct the study.

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

Sec. 11. NATIONAL GUARD YOUTH CHALLENGE PROGRAM STUDY.

The adjutant general and the Department of Military Affairs shall study participation by the Minnesota National Guard in the National Guard Youth Challenge Program promoted by the National Guard Youth Foundation. The adjutant general shall report on the study and make recommendations to the governor and the committees of the senate and the house of representatives with jurisdiction over National Guard programs by January 15, 2009. The study must include:

- (1) possible locations for the Minnesota National Guard Youth Challenge Program;
- (2) estimated start-up costs for the program;
- (3) application and establishment procedures and resources required to apply for and establish the program; and
- (4) a survey of similar programs established in other states and how each state comes up with the state match required to obtain federal funds.

ARTICLE 10

ECONOMIC DEVELOPMENT

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$	<u>(2,425,000)</u>	\$	<u>1,512,000</u>	\$	<u>(913,000)</u>

Sec. 2. APPROPRIATIONS.

The dollar amounts in the columns under "APPROPRIATIONS" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 135, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS

Available for the Year

Ending June 30

2008

2009

Sec. 3. EMPLOYMENT AND ECONOMIC DEVELOPMENT

<u>Subdivision 1. Total Appropriation</u>	\$	<u>(3,000,000)</u>	\$	<u>445,000</u>
---	----	--------------------	----	----------------

Session chapter 3, article 10, section 23, to the foreign trade zone authority, estimated to be \$608,000, to the general fund.

By July 31, 2008, the commissioner of finance shall cancel \$2,000,000 of the balance in the job skills partnership account to the general fund.

Subd. 6. Transfers In

By July 31, 2008, the commissioner of finance shall transfer the unencumbered balance of the appropriation in Laws 2005, First Special Session chapter 1, article 3, section 2, subdivision 2, for the methamphetamine laboratory cleanup revolving loan account in the public facilities authority fund, estimated to be \$150,000, to the general fund.

By July 31, 2008, the commissioner of finance shall transfer \$8,000,000 of the unencumbered balance in the workforce development fund to the general fund.

Subd. 7. Minnesota Minerals 21st Century Fund

Notwithstanding Minnesota Statutes, section 116J.423, by June 30, 2009, the commissioner shall make a \$1,000,000 grant and a \$1,000,000 loan from the Minnesota Minerals 21st Century Fund to Magnetation, Inc. for reclamation of iron ore.

Sec. 4. LABOR AND INDUSTRY

<u>Subdivision 1. BASE REDUCTION</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(43,000)</u>
---	------------------	-------------------	------------------	------------------------

\$43,000 in the second year is a base reduction. The commissioner must not reduce funding available for prevailing wage enforcement and must fill all positions when vacancies become available.

Subd. 2. TRANSFERS IN

By June 30, 2009, the commissioner of finance shall transfer \$2,000,000 from the construction code fund under Minnesota

Statutes, section 326B.04, to the general fund.

Sec. 5. <u>BUREAU OF MEDIATION SERVICES</u>	\$	<u>-0-</u>	\$	<u>(69,000)</u>
---	----	------------	----	-----------------

This is a base reduction.

Sec. 6. <u>EXPLORE MINNESOTA TOURISM</u>	\$	<u>-0-</u>	\$	<u>1,299,000</u>
--	----	------------	----	------------------

(a) \$1,299,000 is for a grant to the Minnesota Film and TV Board for the jobs production program under Minnesota Statutes, section 116U.26. This is a onetime appropriation and is in addition to any other appropriation for the jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until expended.

(b) \$500,000 of the balance in the special marketing account established pursuant to Laws 2005, First Special Session chapter 1, article 3, section 6, must be used for a onetime grant to the Minnesota Film and TV Board for the production of a film in Minnesota in calendar years 2008 and 2009. The grant is in addition to any payments made for the same purpose from the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until expended.

Sec. 7. <u>HOUSING FINANCE AGENCY</u>	\$	<u>-0-</u>	\$	<u>(200,000)</u>
---------------------------------------	----	------------	----	------------------

This is a onetime reduction.

Sec. 8. <u>MINNESOTA BOXING COMMISSION</u>	\$	<u>-0-</u>	\$	<u>80,000</u>
--	----	------------	----	---------------

This amount is added to the commission's or its successor's base budget.

Sec. 9. <u>MINNESOTA HISTORICAL SOCIETY</u>	\$	<u>575,000</u>	\$	<u>-0-</u>
---	----	----------------	----	------------

\$575,000 in the first year is a onetime appropriation for the Minnesota Sesquicentennial Commission. The Minnesota Historical Society, the State Arts Board, and Explore Minnesota Tourism may assist the commission in designing and implementing the grants program. The commission shall encourage private

contributions to match the state money to the greatest extent possible. Any gifts, pledges, membership fees, or contributions received by the commission are appropriated to the commission. This appropriation is available until June 30, 2009.

Sec. 10. **[116J.996] MILITARY RESERVIST ECONOMIC INJURY LOANS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Active service" has the meaning given in section 190.05.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Eligible business" means a small business, as defined in section 645.445, that was operating in Minnesota on the date a military reservist received orders for active service.

(e) "Essential employee" means a military reservist who is an owner or employee of an eligible business and whose managerial or technical expertise is critical to the day-to-day operation of the eligible business.

(f) "Military reservist" means a member of the reserve component of the armed forces.

(g) "Reserve component of the armed forces" has the meaning given it in United States Code, title 10, section 101(c).

(h) "Substantial economic injury" means an economic harm to an eligible business that results in the inability of the eligible business to:

(1) meet its obligations as they mature;

(2) pay its ordinary and necessary operating expenses; or

(3) manufacture, produce, market, or provide a product or service ordinarily manufactured, produced, marketed, or provided by the eligible business.

Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans of up to \$20,000 per borrower to eligible businesses that have sustained or are likely to sustain substantial economic injury as a result of the call to active service for 180 days or more of an essential employee. Loans must be made for the purpose of preventing, remedying, or ameliorating the substantial economic injury.

Subd. 3. **Revolving loan account.** The commissioner shall use money appropriated for the purpose to establish a revolving loan account. All repayments of loans made under this section must be deposited into this account. Interest earned on money in the account accrues to the account. Money in the account is appropriated to the commissioner for purposes of the loan program created in this section, including costs incurred by the commissioner to establish and administer the program.

Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the commissioner shall develop and publish expedited rules for loan applications, use of funds, needed collateral, terms of loans, and other details of military reservist economic injury loans.

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

Sec. 11. Minnesota Statutes 2006, section 116L.04, subdivision 1, is amended to read:

Subdivision 1. **Partnership program.** (a) The partnership program may provide grants-in-aid to educational or other nonprofit educational institutions using the following guidelines:

(1) the educational or other nonprofit educational institution is a provider of training within the state in either the public or private sector;

(2) the program involves skills training that is an area of employment need; and

(3) preference will be given to educational or other nonprofit training institutions which serve economically disadvantaged people, minorities, or those who are victims of economic dislocation and to businesses located in rural areas.

(b) A single grant to any one institution shall not exceed \$400,000. A portion of a grant may be used for preemployment training.

(c) Each institution must provide for the dissemination of summary results of a grant-funded project, including, but not limited to, information about curriculum and all supporting materials developed in conjunction with the grant. Results of projects developed by any Minnesota State Colleges and Universities system institution must be disseminated throughout the system.

Sec. 12. Minnesota Statutes 2006, section 116L.05, subdivision 3, is amended to read:

Subd. 3. **Use of funds.** The Job Skills Partnership Board may use up to six percent of any funds it receives, regardless of the source, for activities authorized under section 116L.04, subdivision 2. The board may also use a portion of these funds to collect and disseminate information on the activities under section 116L.04, subdivision 2. The board must plan for the statewide dissemination of the results, curriculum, and supporting materials of these grant-funded projects.

Sec. 13. Minnesota Statutes 2006, section 116L.05, subdivision 5, is amended to read:

Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the board may use workforce development funds for the purposes outlined in sections 116L.04, ~~116L.06,~~ and 116L.10 to 116L.14, or to provide incumbent worker training services under section 116L.18 if the following conditions have been met:

(1) the board examines relevant economic indicators, including the projected number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining and expanding industries, the number of initial applications for and the number of exhaustions of unemployment benefits, job vacancy data, and any additional relevant information brought to the board's attention;

(2) the board accounts for all allocations made in section 116L.17, subdivision 2;

(3) based on the past expenditures and projected revenue, the board estimates future funding needs for services under section 116L.17 for the remainder of the current fiscal year and the next fiscal year;

(4) the board determines there will be unspent funds after meeting the needs of dislocated workers in the current fiscal year and there will be sufficient revenue to meet the needs of dislocated

workers in the next fiscal year; and

(5) the board reports its findings in clauses (1) to (4) to the chairs of legislative committees with jurisdiction over the workforce development fund, to the commissioners of revenue and finance, and to the public.

Sec. 14. Minnesota Statutes 2006, section 116L.16, is amended to read:

116L.16 DISTANCE-WORK GRANTS.

The Job Skills Partnership Board may make grants-in-aid for distance-work projects. The purpose of the grants is to promote distance-work projects involving technology in rural areas and may include a consortium of organizations partnering in the development of rural technology industry. Grants may be used to identify and train rural workers in technology, act as a catalyst to bring together employers and rural employees to perform distance work, and provide rural workers with physical connections to telecommunications infrastructure, where necessary, in order to be self-employed or employed from their homes or satellite offices. Grants must be made according to sections 116L.02 and 116L.04, except that:

(1) the business match may include, but is not limited to, office space; additional management or technology staff costs; start-up equipment costs such as telecommunications infrastructure, additional software, or computer upgrades; consulting fees for implementation of distance-work policies or identification and skill assessment of potential employees; and the joint financial contribution of two or more businesses acting as a consortium;

(2) cash or in-kind contributions by partnering organizations may be used as a match;

(3) eligible grantees may be educational or nonprofit educational training organizations; and

(4) ~~grants-in-aid may be packaged with loans under section 116L.06, subdivision 6; and~~

~~(5) with respect to grants serving as a catalyst to bring together employers and rural employees to perform distance work, the match must be at least one-to-two.~~

The board shall, to the extent there are sufficient applications, make grant awards to as many parts of the state as possible. Subject to the requirement for geographic distribution of grants, preference shall be given to grant applications that provide the most cost-effective training proposals, that provide the best prospects for high-paying jobs with high retention rates, or that are from more economically distressed rural areas or communities.

Grantees must meet reporting and evaluation requirements established by the board.

Sec. 15. Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been permanently separated or has received a notice of permanent separation from public or private sector employment and is eligible for or has exhausted entitlement to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

(3) has been terminated or has received a notice of termination of employment as a result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

(5) has been permanently separated from employment in a restaurant, bar, or lawful gambling organization from October 1, 2007, to October 1, 2009, due to the implementation of any state law prohibiting smoking; ~~or~~

(6) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job verified to be below the skill level and earning capacity of the veteran; or

~~(6)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and now due to divorce, separation, death, or disability of that person, must find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support.

To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

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

Sec. 16. Minnesota Statutes 2006, section 116L.20, subdivision 2, is amended to read:

Subd. 2. **Disbursement of special assessment funds.** (a) The money collected under this section shall be deposited in the state treasury and credited to the workforce development fund to provide for employment and training programs. The workforce development fund is created as a special account in the state treasury.

(b) All money in the fund not otherwise appropriated or transferred is appropriated to the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for in paragraph (d). The board must act as the fiscal agent for the money and must disburse that money for the purposes of section 116L.17, not allowing the money to be used for any other obligation of the state. All money in the workforce development fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special accounts in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.

(d) If the board determines that the conditions of section 116L.05, subdivision 5, have been met, the board may use funds for the purposes outlined in sections 116L.04, ~~116L.06~~, and 116L.10 to 116L.14, or to provide incumbent worker training services under section 116L.18.

Sec. 17. Minnesota Statutes 2006, section 116U.26, is amended to read:

116U.26 FILM JOBS PRODUCTION PROGRAM.

(a) The film production jobs program is created. The program shall be operated by the Minnesota Film and TV Board with administrative oversight and control by the director of Explore Minnesota Tourism. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to the Minnesota Film and TV Board of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

The Minnesota Film and TV Board shall make recommendations to the director of Explore Minnesota Tourism about program payment, but the director has the authority to make the final determination on payments. The director's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

(i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment; or

(vii) other direct costs of producing the film in accordance with generally accepted entertainment

industry practice; and

(2) "film" means a ~~movie~~ feature film, television or Internet show, documentary, music video, or television commercial, whether on film or video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of up to 20 percent of film production costs for films that incur production costs in excess of \$5,000,000 in Minnesota within a 12-month period.

EFFECTIVE DATE. This section is effective for films that are certified by the Minnesota Film and TV Board on or after the day following final enactment.

Sec. 18. Minnesota Statutes 2006, section 298.223, subdivision 2, is amended to read:

Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall be administered by the commissioner of the Iron Range Resources and Rehabilitation Board. The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite area environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary.

(b) Each year no less than one-half of the amounts deposited into the taconite environmental protection fund must be used for public works projects, including construction of sewer and water systems, as specified under subdivision 1, paragraph (c). The Iron Range Resources and Rehabilitation Board with a majority vote of the members, may waive the requirements of this paragraph.

(c) Upon approval by a majority of the members of the Iron Range Resources and Rehabilitation Board, this the list of projects approved under this subdivision shall be submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.

EFFECTIVE DATE. This section is effective for distributions beginning in 2009.

Sec. 19. Minnesota Statutes 2006, section 298.28, subdivision 9d, as added by Laws 2008, chapter 154, article 8, section 9, is amended to read:

Subd. 9d. **Iron Range higher education account.** ~~Two~~ Five cents per taxable ton must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited in an Iron Range higher education account that is hereby created, to be used for higher education programs conducted at educational institutions in the taconite assistance area defined in section 273.1341. The Iron Range Higher Education committee under section 298.2214 and the Iron Range Resources and Rehabilitation Board must approve all expenditures from the account.

Sec. 20. Minnesota Statutes 2006, section 298.292, subdivision 2, as amended by Laws 2008,

chapter 154, article 8, section 11, is amended to read:

Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust fund may be used for the following purposes:

(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;

(2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211;

(3) to pay in periodic payments or in a lump sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources;

(4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J. Johnson economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made by an investor other than the Douglas J. Johnson economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the Douglas J. Johnson economic protection trust fund; and

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a. Property purchased under this section may be sold by the commissioner upon approval by a majority vote of the board. The net proceeds must be deposited in the trust fund for the purposes and uses of this section.

Money from the trust fund shall be expended only in or for the benefit of the taconite assistance area defined in section 273.1341.

Sec. 21. Minnesota Statutes 2006, section 298.2961, subdivision 2, is amended to read:

Subd. 2. **Projects; approval.** (a) Projects funded must be for:

(1) environmentally unique reclamation projects; or

(2) pit or plant repairs, expansions, or modernizations other than for a value added iron products plant; ~~or.~~

~~(3) haulage trucks and equipment and mining shovels.~~

(b) To be proposed by the board, a project must be approved by at least eight Iron Range Resources and Rehabilitation Board members. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

(c) The board may require that it receive an equity percentage in any project to which it contributes under this section.

Sec. 22. Minnesota Statutes 2006, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$1,500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued, and excluding any bonds issued for the credit enhanced bond program or refunding or crossover refunding bonds issued under the program. The principal amount of bonds issued and outstanding under section 446A.087, may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 23. Minnesota Statutes 2006, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$3,000,000,000~~ \$5,000,000,000.

Sec. 24. Laws 1999, chapter 223, article 2, section 72, is amended to read:

Sec. 72. UPPER RED LAKE BUSINESS LOAN PROGRAM.

The commissioner of trade and economic development must make loans to businesses in the Upper Red Lake area that have been severely affected by the significant decline of the walleye fishing resource in Upper Red Lake. The loans may only be made to businesses that operated in 1998. A business must submit an application to the commissioner on forms provided by the commissioner. The application must include a business plan for continued operation, with the assistance of the loan, until the walleye fishing resource recovers. The commissioner shall allocate available loan funds to a business based on the commissioner's evaluation of the probable success of its business plan. A loan shall be for a maximum amount of \$75,000 and a duration of ten years from the date of the loan and shall be interest free. Repayment of a loan in monthly payments of 1/120 of the original principal amount must begin no later than one year after walleye fishing on Upper Red Lake is ~~allowed by the department of natural resources~~ recovered to a bag limit of six. Any principal balance remaining at the end of the ten-year period shall be forgiven if the business continues in operation for the ten-year period. Loan repayments shall be deposited in the general fund.

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

Sec. 25. Laws 2007, chapter 135, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. Business and Community Development	40,667,000	8,639,000
--	------------	-----------

Appropriations by Fund

General	39,967,000	7,939,000
Remediation	700,000	700,000

(a) (1) \$250,000 the first year and \$250,000 the second year are from the general fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

(2) The grant shall be provided upon the condition that each state-appropriated dollar be matched with a nonstate dollar. Acceptable matching funds are nonstate contributions that the center has received and have not been used to match previous state grants. Any unencumbered balance in the first year is available for the second year.

(b) \$250,000 the first year and \$250,000 the second year are from the general fund for a grant to WomenVenture for women's business development programs.

(c) \$250,000 the first year is for a grant to University Enterprise Laboratories (UEL) for its direct and indirect expenses to support efforts to encourage the growth of early-stage and emerging bioscience companies. UEL must provide a report by June 30 each year to the commissioner on the expenditures until the appropriation is expended. This is a onetime appropriation and is available until expended.

(d) \$2,000,000 the first year is for grants under Minnesota Statutes, section 116J.571, for the redevelopment grant program. This is a onetime appropriation.

(e) \$100,000 the first year and \$100,000 the second year are to help small businesses access federal funds through the federal Small Business Innovation Research Program and the federal Small Business Technology Transfer Program. Department services must include maintaining connections to 11 federal programs, assessment of specific funding opportunities, review of funding proposals, referral to specific consulting services, and training workshops throughout the state. Unless prohibited by federal law, the department must implement fees for services that help companies seek federal Phase II Small Business Innovation Research grants. The recommended fee schedule must be reported to the chairs of the house of representatives finance committee and senate budget division with jurisdiction over economic development by February 1, 2008.

(f) \$100,000 the first year and \$100,000 the second year are appropriated to the Public Facilities Authority for the small community wastewater treatment program under Minnesota Statutes, chapter 446A.

(g) \$255,000 the first year and \$155,000 the second year are from the general fund for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area.

(h) \$85,000 the first year and \$85,000 the second year are for grants to the Minnesota Inventors Congress. Of this amount, \$10,000 each year is for the Student Inventors Congress.

(i) \$151,000 the first year is for a onetime grant to the city of Faribault to design, construct, furnish, and equip renovations to accommodate handicapped accessibility at

the Paradise Center for the Arts.

(j) \$750,000 the first year is to Minnesota Technology, Inc. for the small business growth acceleration program established under Minnesota Statutes, section 116O.115. This is a onetime appropriation. This appropriation does not cancel, but is available until June 30, 2011.

(k) \$300,000 the first year is for a onetime grant to the city of Northome for the construction of a new municipal building to replace the structures damaged by fire on July 22, 2006. This appropriation is available when the commissioner determines that a sufficient match is available from nonstate sources to complete the project.

(l) \$300,000 the first year is for a grant to the city of Worthington for an agricultural-based bioscience training and testing center. Funds appropriated under this section must be used to provide a training and testing facility for incubator firms developing new agricultural processes and products. This is a onetime appropriation and is available until expended.

(m) \$1,750,000 the first year is for a onetime grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. These funds may be used for:

(1) completion and periodic updating of a statewide bioscience business industry assessment of business technology enterprises and Minnesota's competitive position employing annual updates to federal industry classification data;

(2) long-term strategic planning that includes projections of market changes resulting from developments in biotechnology and the development of 20-year goals, strategies, and identified objectives for renewable energy, medical devices, biopharma, and biologics business development in Minnesota;

(3) the design and construction of a Minnesota focused bioscience business model to test competing strategies and scenarios, evaluate options, and forecast outcomes; and

(4) creation of a bioscience business resources network that includes development of a statewide bioscience business economic development framework to encourage bioscience business development and encourage spin-off activities, attract bioscience business location or expansion in Minnesota, and establish a local capability to support strategic system level planning for industry, government, and academia.

This appropriation is available until June 30, 2009.

(n) \$125,000 the first year is to develop and operate a bioscience business marketing program to market Minnesota bioscience businesses and business opportunities to other states and other countries. The bioscience business marketing program must emphasize bioscience business location and expansion opportunities in communities outside of the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, that have established collaborative plans among two or more municipal units for bioscience business activities, and that are within 15 miles of a four-year, baccalaureate degree granting institution or a two-year technical or community college that offers bioscience curricula. The commissioner must report to the committees of the senate and house of representatives having jurisdiction over bioscience and technology issues by February 1 of each year on the expenditures of these funds and the promotional activities undertaken to market the Minnesota bioscience industry to persons outside of the state. This is a onetime appropriation and is available until expended.

(o) \$325,000 is for a grant to the Walker Area

Community Center, Inc., to construct, furnish, and equip the Walker Area Community Center. This appropriation is not available until the commissioner has determined that an amount sufficient to complete the project has been committed from nonstate sources. This is a onetime appropriation and is available until expended.

(p) \$100,000 the first year is for a grant to the Pine Island Economic Development Authority for predesign to upgrade and extend utilities to serve Elk Run Bioscience Research Park and The Falls - Healthy Living By Nature, an integrated medicine facility. This is a onetime appropriation and is available until expended.

(q) \$350,000 the first year is for a grant to Thomson Township for infrastructure improvements for the industrial park. This is a onetime appropriation and is available until expended.

(r) \$75,000 the first year is for a grant to Le Sueur County for the cost of cleaning up debris from lakes in Le Sueur County, caused by the August 24, 2006, tornado in southern Le Sueur County. This is a onetime appropriation and is available until expended.

(s) \$400,000 the first year is for a grant to the city of Rogers to be used for relief from damages caused by the September 16, 2006, tornado.

(t) \$75,000 the first year is for a grant to the city of Warroad for new public facilities to replace those damaged or destroyed by the August 2006 tornado, including approximately 28 new street lights and underground electrical circuits and a new fish cleaning house. This is a onetime appropriation and is available until expended. If an appropriation for this purpose is enacted more than once in the 2007 session, the appropriation is effective only once.

(u) \$500,000 the first year is for a grant to

the Upper Sioux Community to improve the current water system to ensure continuity of service to the entire population of the community and to meet the demands of the community expansion over the next 20 years. This is a onetime appropriation and is not available until the Public Facilities Authority has determined that at least \$1,000,000 has been committed from nonstate sources. This appropriation is available until expended.

*** (The preceding text beginning "(u) \$500,000 the first year is for" was indicated as vetoed by the governor.)**

(v) \$755,000 the first year is for the urban challenge grant program under Minnesota Statutes, section 116M.18. This is a onetime appropriation.

(w) \$1,100,000 is for a grant to the Neighborhood Development Center for assistance necessary to retain minority business enterprises at the Global Market. This is a onetime appropriation and is available until expended.

(x) \$350,000 the first year is for a onetime grant to the city of Inver Grove Heights to reduce debt on the Inver Grove Heights Veterans Memorial Community Center.
*** (The preceding text beginning "(x) \$350,000 the first year is for" was indicated as vetoed by the governor.)**

(y) \$14,900,000 the first year is for the Minnesota minerals 21st century fund created in Minnesota Statutes, section 116J.423, to partially restore the money unallotted by the commissioner of finance in 2003 pursuant to Minnesota Statutes, section 16A.152. This appropriation may be used as provided in Minnesota Statutes, section 116J.423, subdivision 2. This appropriation is available until expended.

(z) \$2,500,000 the first year is for a grant to the city of St. Paul to be used to pay, redeem, or refund debt service costs incurred for the River Centre Campus. *** (The preceding**

text beginning "(z) \$2,500,000 the first year is for" was indicated as vetoed by the governor.)

(aa) \$147,000 each year is appropriated from the general fund to the commissioner of employment and economic development for grants of \$49,000 to eligible organizations each year and for the purposes of this paragraph. Each state grant dollar must be matched with \$1 of nonstate funds. Any balance in the first year does not cancel but is available in the second year. The base for these grants in fiscal years 2010 and 2011 is \$189,000 each year, with each eligible organization receiving a \$63,000 grant each year.

The commissioner of employment and economic development must make grants to organizations to assist in the development of entrepreneurs and small businesses. Three grants must be awarded to continue or to develop a program. One grant must be awarded to the Riverbend Center for Entrepreneurial Facilitation in Blue Earth County, and two to other organizations serving Faribault and Martin Counties. Grant recipients must report to the commissioner by February 1 of each year that the organization receives a grant with the number of customers served; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates. The commissioner must report to the house of representatives and senate committees with jurisdiction over economic development finance on the effectiveness of these programs for assisting in the development of entrepreneurs and small businesses.

(bb) ~~\$5,000,000~~ \$2,000,000 the first year is for grants under Minnesota Statutes, section 116J.8731, for the Minnesota investment fund program. Of this amount, ~~up to \$3,000,000 may be used for a legal reference office and data center facility, provided that the total~~

~~capital investment in the facility is at least \$60,000,000. This grant is not subject to grant limitations under Minnesota Statutes, section 116J.8731, subdivision 5 \$1,000,000 must be used for the biomass heating grants and loans pilot project. This is a onetime appropriation and is available in either year of the biennium.~~

Sec. 26. Laws 2007, chapter 135, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. Workforce Development	50,024,000	49,833,000
---------------------------------------	------------	------------

Appropriations by Fund

General	33,529,000	33,338,000
Workforce Development	16,495,000	16,495,000

(a) \$6,785,000 the first year and \$6,785,000 the second year are from the general fund for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. This appropriation does not cancel.

(b) \$455,000 the first year and \$455,000 the second year are from the general fund for a grant under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals.

(c) \$1,375,000 each year is from the workforce development fund for Opportunities Industrialization Center programs.

(d) \$5,614,000 each year is from the general fund and \$6,920,000 each year is from the workforce development fund for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. Of this, \$125,000 each year and in the base for fiscal years 2010 and 2011 is to supplement funds paid for wage incentives for the community support fund established in Minnesota Rules, part 3300.2045. The commissioner shall not reduce total expenditures from these

appropriations.

(e) \$1,650,000 the first year and \$1,650,000 the second year are from the general fund for grants for programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Up to \$77,000 each year may be used for administrative and salary expenses.

(f) \$2,440,000 the first year and \$2,440,000 the second year are from the general fund for grants under Minnesota Statutes, section 268A.11, for the eight centers for independent living. The base for this program is \$2,440,000 each year in fiscal years 2010 and 2011. Money not expended the first year is available the second year.

The commissioner must:

(1) transfer \$115,000 of federal independent living Part B rehabilitation services funds to the Minnesota Centers for Independent Living each year contingent upon the availability of federal funds under Title VII, Part B, of the Federal Rehabilitation Act of 1973 as amended under United States Code, title 29, section 711(c), and approved by the Statewide Independent Living Council;

(2) replace federal Part B funds in the State Independent Living Council budget transferred under clause (1) with \$115,000 of Social Security Administration program income funds each year; and

(3) provide an additional \$185,000 each year from the Social Security Administration program income to the Minnesota Centers for Independent Living to be allocated equally among the eight centers.

Additional funding for centers for independent living under clauses (1) and (3) must be used for core independent living services by the Centers for Independent Living. The Statewide Independent Living Council framework for statewide distribution

of state and federal funding to the Minnesota Centers for Independent Living does not apply to the funds under clauses (1) and (3). The commissioner must report on the transfers in clauses (1), (2), and (3), and any other effort to pursue additional funding for the Centers for Independent Living to the standing committees of the senate and house of representatives having jurisdiction over Centers for Independent Living by March 15 each year.

(g) \$5,940,000 the first year and \$5,940,000 the second year are from the general fund for state services for the blind activities.

(h) \$150,000 the first year and \$150,000 the second year are from the general fund and \$175,000 the first year and \$175,000 the second year are from the workforce development fund for grants under Minnesota Statutes, section 268A.03, to Rise, Inc. for the Minnesota Employment Center for People Who are Deaf or Hard-of-Hearing. Money not expended the first year is available the second year.

(i) \$9,021,000 the first year and \$9,021,000 the second year are from the general fund for the state's vocational rehabilitation program for people with significant disabilities to assist with employment, under Minnesota Statutes, chapter 268A.

(j) \$350,000 the first year and \$350,000 the second year are from the workforce development fund for grants to provide interpreters for a regional transition program that specializes in providing culturally appropriate transition services leading to employment for deaf, hard-of-hearing, and deaf-blind students. This amount must be added to the department's base.

(k) \$150,000 the first year and \$150,000 the second year are for a grant to Advocating Change Together for training, technical assistance, and resources materials to persons with developmental and mental illness

disabilities.

(l) \$250,000 the first year and \$250,000 the second year are from the workforce development fund and \$150,000 the first year and \$100,000 the second year are from the general fund for a grant to Lifetrack Resources for its immigrant and refugee collaborative programs, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching. \$50,000 of the first year general fund appropriation is for a onetime pilot Lifetrack project in Rochester.

(m) \$75,000 the first year and \$75,000 the second year are from the general fund and \$1,000,000 the first year and \$1,000,000 the second year are from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366. This appropriation may be used for:

(1) restoring the three youthbuild programs that were eliminated due to budget reductions and adding seven more youthbuild programs statewide;

(2) restoring funding levels for all youthbuild programs plus an inflationary increase for each program;

(3) increasing the number of at-risk youth served by the youthbuild programs from 260 youth per year to 500 youth per year; and

(4) restoring the youthbuild focus on careers in technology and adding a youthbuild focus on careers in the medical field.

(n) \$1,325,000 each year is from the workforce development fund for grants to fund summer youth employment in Minneapolis. The grants shall be used to fund up to 500 jobs for youth each summer. Of this appropriation, \$325,000 each year is for a grant to the learn-to-earn summer youth employment program. The commissioner

shall establish criteria for awarding the grants. This appropriation is available in either year of the biennium and is available until spent.

(o) \$600,000 the first year and \$600,000 the second year are from the workforce development fund for a grant to the city of St. Paul for grants to fund summer youth employment in St. Paul. The grants shall be used to fund up to 500 jobs for youth each summer. The commissioner shall establish criteria for awarding the grants within the city of St. Paul. This appropriation is available in either year of the biennium and is available until spent.

(p) \$250,000 the first year and \$250,000 the second year are from the general fund for grants to Northern Connections in Perham to implement and operate a pilot workforce program that provides one-stop supportive services to individuals as they transition into the workforce.

(q) \$100,000 each year is for a grant to Ramsey County Workforce Investment Board for the development of the building lives program. This is a onetime appropriation.
*** (The preceding text beginning "(q) \$100,000 each year is for" was indicated as vetoed by the governor.)**

(r) \$150,000 each year is for a grant to the Hennepin-Carver Workforce Investment Board (WIB) to coordinate with the Partners for Progress Regional Skills Consortium to provide employment and training as demonstrated by the Twin Cities regional health care training partnership project.
*** (The preceding text beginning "(r) \$150,000 each year is for" was indicated as vetoed by the governor.)**

(s) \$160,000 the first year is for a onetime grant to Workforce Development, Inc., for a pilot project to provide demand-driven employment and training services to welfare recipients and other economically disadvantaged populations in Mower,

Freeborn, Dodge, and Steele Counties.

(t) \$200,000 the first year and \$200,000 the second year are from the general fund for a grant to HIRED to operate its industry sector training initiatives, which provide employee training developed in collaboration with employers in specific, high-demand industries. * **(The preceding text beginning "(t) \$200,000 the first year" was indicated as vetoed by the governor.)**

(u) \$100,000 the first year is for a onetime grant to a nonprofit organization. The nonprofit organization must work on behalf of all licensed vendors to coordinate their efforts to respond to solicitations or other requests from private and governmental units as defined in Minnesota Statutes, section 471.59, subdivision 1, in order to increase employment opportunities for persons with disabilities. This appropriation is available until June 30, 2009.

(v) \$3,500,000 each year from the workforce development fund is for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(w) \$1,000,000 each year from the workforce development fund is for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills development. This project, which may have career guidance components, including health and life skills, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job site knowledge through coaching. This grant requires a 25 percent match from nonstate resources.

(x) \$10,000 the first year is for a study on ways to promote employment opportunities for minorities, with a particular focus on opportunities for African Americans, in the state of Minnesota. The study should focus on how to significantly expand the job training available to minorities and promote

substantial increases in the wages paid to minorities, at least to a rate well above living wage, and within several years, to equality. The commissioner must report on the study to the governor and the chair of the finance committee in each house of the legislature that has jurisdiction over employment by January 15, 2008, with recommendations for implementing the findings.

(y) The commissioner must provide funding for the Minnesota Conservation Corps to provide learning stipends for deaf students and wages for interpreters participating in the MCC summer youth program.

Sec. 27. Laws 2007, chapter 135, article 1, section 6, subdivision 4, is amended to read:

Subd. 4. Labor Standards/Apprenticeship	1,833,000	1,803,000
Appropriations by Fund		
General	1,069,000	1,024,000
Workforce Development	764,000	779,000

The appropriation from the workforce development fund is for the apprenticeship program under Minnesota Statutes, chapter 178, and includes \$100,000 each year for labor education and advancement program grants.

\$360,000 the first year and \$300,000 the second year from the general fund are for prevailing wage enforcement of which \$60,000 in the first year is for outreach and survey participation improvements, and is available until expended.

Sec. 28. Laws 2007, First Special Session chapter 2, article 1, section 8, subdivision 2, is amended to read:

Subd. 2. Minnesota Investment Fund	35,000,000
---	------------

For transfer to the Minnesota investment fund for grants to local units of government for locally administered grants or loan programs for businesses and nonprofit organizations directly and adversely affected by the flood,

including those that provide residential, health care, child care, social, or other services on behalf of the Department of Human Services to residents of the area included in DR-1717. Assistance under this subdivision is not limited to businesses.

Payments may be made for property damage and cleanup, and to reimburse parties under contract, provider agreement, or other arrangement with the commissioner of human services as of August 18, 2007, for residential, health care, child care, social, or other services provided on behalf of the Department of Human Services to a resident of the area included in DR-1717, notwithstanding that:

(1) the resident has been compelled by the floods of August 2007 to relocate outside the party's service area; or

(2) the party is unable to provide services to the resident due to flood damage to the party's place of business.

Criteria and requirements must be locally established with the approval of the commissioner. For the purposes of this appropriation, Minnesota Statutes, sections 116J.8731, subdivisions 3, 4, 5, and 7; 116J.993; 116J.994; and 116J.995, are waived. Businesses that receive grants or loans from this appropriation must set goals for jobs retained and wages paid within the area included in DR-1717.

Before any grants under this subdivision are awarded to a local unit of government, the commissioner of employment and economic development shall report to the chairs of the senate finance and house of representatives ways and means committees the criteria and requirements to be used by local units of government in the grant or loan programs they will administer. This appropriation is from the general fund.

Any money transferred to the commissioner of natural resources to provide

high-resolution digital elevation maps using Light Detection and Ranging (LiDAR) technology to be used for flood management is available until June 30, 2009.

Sec. 29. BIOMASS HEATING GRANTS AND LOANS PILOT PROJECT.

Within the limits of appropriations, the commissioner of the Department of Employment and Economic Development shall make grants and loans for costs related to the installation of an approved biomass heating project in a publicly owned facility, including K-12 public schools, higher education buildings, and buildings owned by a local unit of government. The commissioner must approve biomass heating projects that produce energy for heating air or water using organic matter available on a renewable basis, including but not limited to agricultural crops, grasses and trees, or wood production or other waste. Applications for a grant or loan under this section must be made to the commissioner on the forms and according to the timeline prescribed by the commissioner. At a minimum, the commissioner must require sufficient information on the applications to determine that the physical condition of the publicly owned facility is sufficient to support the efficient operation of the biomass heating project and that the projected cumulative energy cost savings are adequate relative to the costs of the investment. The grant and loan may each provide up to 50 percent of the total installed costs of the biomass heating projects.

Sec. 30. HARDSHIP PAYMENTS.

Subdivision 1. **Payments; availability.** Hardship payments are available to an applicant if the applicant suffered economic hardship due to delays in receiving unemployment benefits resulting from the new unemployment insurance application and filing system implemented by the Department of Employment and Economic Development on October 15, 2007.

Subd. 2. **Economic hardship.** "Economic hardship" means financial losses to an applicant resulting from: checks returned for insufficient funds; account overdraft charges; installment credit penalties, interest, and other fees resulting from missed or late payments; mortgage loan late fees, interest charges, or other penalties; charges for force-placed automobile or homeowner's insurance; penalties for late payment of income or property taxes; and any penalties or adverse consequences, including the suspension of an applicant's driver's license due to nonpayment of child support.

Subd. 3. **Payment from administration account.** Hardship payments are payable from the unemployment insurance administration account under Minnesota Statutes, section 268.196.

Subd. 4. **Eligibility conditions.** An applicant is eligible to receive hardship payments under this section if the applicant's unemployment benefit payments due and payable after October 15, 2007, were delayed at least four weeks.

Subd. 5. **Amount of hardship payments.** The amount of hardship payments available to an applicant is equal to the amount of economic hardship experienced by an applicant due to the delay in receiving unemployment benefits. An applicant must provide documentation of the amount of financial hardship claimed using financial institution records, consumer or business credit records, child support records, or other commonly recognized methods of documenting financial transactions.

Subd. 6. **Notice.** The commissioner must notify applicants of the availability of hardship

payments by posting a notice on the department's official Web site, by notifying applicants by individual mailing where department records show the applicant may be eligible under subdivision 4, and by any other appropriate announcement.

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

Sec. 31. LUMBER COMPANY EXTRA BENEFITS.

Subdivision 1. **Extra benefits; availability.** Extra unemployment benefits are available to an applicant who was laid off due to lack of work from the Ainsworth Lumber Company plant in Cook, Minnesota.

Subd. 2. **Payment from fund; effect on employer.** Extra unemployment benefits are payable from the unemployment insurance trust fund. Extra unemployment benefits paid will not be used in computing the experience rating of Ainsworth Lumber Company under Minnesota Statutes, sections 268.047 and 268.051, subdivision 3.

Subd. 3. **Eligibility conditions.** An applicant is eligible to receive extra unemployment benefits under this section for any week through December 27, 2008, if:

(1) the applicant established a benefit account under Minnesota Statutes, section 268.07, with a majority of the wage credits from Ainsworth Lumber Company, and exhausted entitlement to those regular unemployment benefits after January 1, 2008;

(2) the applicant meets the same eligibility requirements that are required for regular unemployment benefits under Minnesota Statutes, section 268.069;

(3) the applicant is not entitled to any other unemployment benefits and is not entitled to receive unemployment benefits under any other state or federal law for that week, including any other extended unemployment benefits; and

(4) if an applicant qualifies for any type of unemployment benefits available under Minnesota law, or under any federal law, or the law of another state, the applicant must apply for and exhaust entitlement to those unemployment benefits.

Subd. 4. **Weekly amount of extra benefits.** The weekly extra unemployment benefits amount available to an applicant is the same as the applicant's weekly regular unemployment benefit amount on the benefit account established in subdivision 3, clause (1).

Subd. 5. **Maximum amount of extra unemployment benefits.** The maximum amount of extra unemployment benefits available is equal to 13 times the applicant's weekly benefit amount.

Subd. 6. **Program expiration.** This extra unemployment benefit program expires on December 27, 2008. No extra unemployment benefits may be paid for any week after the expiration of this program.

Subd. 7. **Notice.** The commissioner must notify applicants of the availability of extra unemployment benefits by posting a notice on the department's official Web site, by notifying applicants by individual mailing where department records show the applicant may qualify for these extra unemployment benefits, and by any other appropriate announcement.

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

retroactively from January 1, 2008.

Sec. 32. UNEMPLOYMENT BENEFITS; CONTINUED REQUEST TIME PERIOD WAIVER.

Notwithstanding any other law to the contrary, the commissioner must accept initial and continued requests for unemployment benefits and pay unemployment benefits to an applicant who currently resides in Hubbard County and applied for unemployment benefits on September 15, 2006, and had an account dated September 10, 2006:

(1) was employed as a technician or inspector for Northwest Airlines, Inc., prior to August 20, 2005;

(2) stopped working on or about August 20, 2005, because of a labor dispute between the Aircraft Mechanics Fraternal Association (AMFA) and Northwest Airlines, Inc.;

(3) did not file an initial or continued requests for unemployment benefits within the time periods required under Minnesota Statutes, chapter 268; and

(4) meets all the other requirements for the payment of unemployment benefits under Minnesota Statutes, section 268.069, subdivision 2.

Any unemployment benefits paid under the account established September 10, 2006, shall be deducted from the total benefits authorized under this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 21, 2005.

Sec. 33. OFFICE OF SCIENCE AND TECHNOLOGY.

Subdivision 1. **Establishment.** An Office of Science and Technology is established in the Department of Employment and Economic Development to do the following:

(1) coordinate public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small and medium-sized businesses;

(2) promote contractual relationships between Minnesota businesses that are recipients of federal grants and prime contractors, and Minnesota-based subcontractors;

(3) work with Minnesota nonprofit institutions including the University of Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting collaborative efforts to respond to federal funding opportunities;

(4) develop a framework for Minnesota companies to establish sole-source relationships with federal agencies; and

(5) coordinate workshops, assistance with business proposals, licensing, intellectual property protection, commercialization, and government auditing with the University of Minnesota and Minnesota State Colleges and Universities.

For the purposes of this section, "office" means the Office of Science and Technology established in this subdivision.

Subd. 2. **Technology partnering with a prime contractor.** The office must develop a program to assist small businesses competing for a small business innovation research award by matching the applicant with a larger company. Prime contractors are matched to small businesses through a prescreening process that may result in a letter of support for the applicant designed to increase the chance of receiving a Small Business Innovation Research (SBIR) award.

Subd. 3. **Collaborate to commercialize.** The office must develop a program to use the federal high-risk research and development investment program to encourage the development of new technologies, products, and business development and to reduce development risks by encouraging alliances between medium-sized companies and innovative small businesses.

Subd. 4. **Technology matchmaking.** The office must assist businesses in identifying qualified suppliers and vendors through a program to serve as a conduit for Minnesota-based companies to network with firms able to support their success. Firms outside Minnesota can participate in the technology matchmaking network if one of the participating companies is located in Minnesota.

Subd. 5. **Commercialization assistance.** The office must provide commercialization assistance to Minnesota firms that have received a Phase I Small Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer (STTR) award and are submitting a Phase II proposal. Local service providers must assist the applicant with developing and reviewing the required commercialization plan prior to Phase II submission. The office may provide SBIR Phase I proposal technical review.

Subd. 6. **Report.** The commissioner of employment and economic development must report to the committees in the house of representatives and senate having jurisdiction over bioscience and technology issues on the activities of the Office of Science and Technology by June 30, 2009.

Sec. 34. **2008 DISTRIBUTIONS ONLY.**

For distribution in 2008 only, a special fund is established to receive 9.65 cents per ton that otherwise would be allocated under Minnesota Statutes, section 298.28, subdivision 6. If sufficient funds are not available under Minnesota Statutes, section 298.28, subdivision 6, to make the payments required under this section and under Minnesota Statutes, section 298.28, subdivision 6, the remaining amount needed to total 9.65 cents per ton may be taken from funds available under Minnesota Statutes, section 298.28, subdivision 9. The following amounts are allocated to St. Louis County acting as the fiscal agent for the recipients for the following specified purposes:

(1) two cents per ton must be paid to the Hibbing Economic Development Authority to retire bonds and for economic development purposes;

(2) 0.25 cent per ton must be paid to the St. Louis County School Board to study the potential for and impact of consolidation and streamlining the operations of the St. Louis County School District No. 2142;

(3) 0.25 cent per ton must be paid to the city of Grand Rapids, for industrial park work;

(4) 0.65 cent per ton must be paid to the city of Aitkin, for sewer and water for housing projects;

(5) 0.5 cent per ton must be paid to the city of Crosby, for well and water tower infrastructure;

(6) 0.25 cent per ton must be paid to the Mountain Iron-Buhl School Board to study the potential

for and impact of consolidation or streamlining the operations of the Mountain Iron-Buhl School District No. 712;

(7) 0.25 cent per ton must be paid to the Virginia School Board to study the potential for an impact of consolidation or streamlining the operations of the Virginia Public School District No. 706;

(8) 1.5 cents per ton must be paid to the city of Silver Bay to pay for health and safety and maintenance improvements at a former elementary school building that is currently owned by the city, to be used for economic development purposes;

(9) 1.5 cents per ton must be paid to St. Louis County to extend water and sewer lines from the city of Chisholm to the St. Louis County fairgrounds;

(10) 1.5 cents per ton must be paid to the White Community Hospital for debt restructuring;

(11) 0.5 cent per ton must be paid to the city of Keewatin for street, sewer, and water improvements; and

(12) 0.5 cent per ton must be paid to the city of Calumet for street, sewer, and water improvements.

Sec. 35. REPEALER.

Minnesota Statutes 2006, section 341.31, and Laws 2004, chapter 188, section 2, are repealed.

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

ARTICLE 11

TRANSPORTATION

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ -0-	\$ (255,000)	(255,000)
<u>Trunk Highway</u>	6,850,000	-0-	6,850,000
<u>State Airports</u>	-0-	(15,000,000)	(15,000,000)
<u>Total</u>	\$ 6,850,000	\$ (15,255,000)	(8,405,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations under Laws 2007, chapter 143, article 1; Laws 2007, First Special Session chapter 2, article 2, section 2; and Laws 2008, chapter 152, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction

from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

Sec. 3. **TRANSPORTATION**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>6,850,000</u>	<u>\$</u>	<u>(34,000)</u>
--	------------------	-------------------------	------------------	------------------------

Appropriations by Fund

	<u>2008</u>		<u>2009</u>	
<u>General</u>	-0-		(34,000)	
<u>Trunk Highway</u>	6,850,000		-0-	

The amounts that may be spent or must be reduced for each purpose are specified in the following subdivisions.

<u>Subd. 2. Transit</u>		<u>-0-</u>		<u>(32,000)</u>
--------------------------------	--	-------------------	--	------------------------

This reduction is from the appropriation from the general fund for transit in Laws 2007, chapter 143, article 1, section 3, subdivision 2, paragraph (b).

<u>Subd. 3. Freight</u>		<u>-0-</u>		<u>(2,000)</u>
--------------------------------	--	-------------------	--	-----------------------

This reduction is from the appropriation from the general fund for freight in Laws 2007, chapter 143, article 1, section 3, subdivision 2, paragraph (c).

<u>Subd. 4. State Roads</u>		<u>6,850,000</u>		<u>-0-</u>
------------------------------------	--	-------------------------	--	-------------------

This appropriation is spending authority for additional federal bridge funding authorized and appropriated by Congress in 2008, and is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual

payments to landowners for lands acquired for highway rights-of-way, payments to lessees, interest subsidies, and relocation expenses. This is a onetime appropriation.

Subd. 5. Transfers In

By June 30, 2008, the commissioner of finance shall transfer \$15,000,000 from the state airports fund established in Minnesota Statutes, section 360.017, to the general fund.

Notwithstanding Minnesota Statutes, section 222.49, before June 30, 2008, the commissioner of finance shall transfer \$3,000,000 from the rail service improvement account in the special revenue fund to the general fund.

Notwithstanding Minnesota Statutes, section 222.49, after July 1, 2008, and before June 30, 2009, the commissioner of finance shall transfer \$3,000,000 from the rail service improvement account in the special revenue fund to the general fund.

Sec. 4. <u>METROPOLITAN COUNCIL</u>	<u>\$</u>	<u>-0-</u> \$	<u>(136,000)</u>
--	-----------	---------------	------------------

This reduction is from the appropriation from the general fund for bus system operations in Laws 2007, chapter 143, article 1, section 4, subdivision 2, and Hiawatha light rail transit in Laws 2007, chapter 143, article 1, section 4, subdivision 3.

Sec. 5. PUBLIC SAFETY

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>-0-</u> \$	<u>(60,000)</u>
--	-----------	---------------	-----------------

The amounts that may be spent or must be reduced for each purpose are specified in the following subdivisions.

Subd. 2. <u>Public Safety Support</u>		<u>-0-</u>	<u>(45,000)</u>
--	--	------------	-----------------

Of this reduction, \$28,000 is from the appropriation from the general fund for a security coordinator to coordinate planning efforts for the Republican National

Convention in Laws 2007, chapter 143, article 1, section 5, subdivision 2, paragraph (b).

Of this reduction, \$17,000 is from the appropriation from the general fund in Laws 2007, chapter 143, article 1, section 5, subdivision 2, paragraph (b).

The base appropriation for fiscal years 2010 and 2011 is \$3,296,000 per year.

<u>Subd. 3. Capitol Security</u>	<u>-0-</u>	<u>(15,000)</u>
---	------------	-----------------

This reduction is from the appropriation from the general fund in Laws 2007, chapter 143, article 1, section 5, subdivision 3, paragraph (c).

Sec. 6. Minnesota Statutes 2006, section 168.013, is amended by adding a subdivision to read:

Subd. 21. **Technology surcharge.** For every vehicle registration renewal required under this chapter, the commissioner shall collect a surcharge of \$1.75. Surcharges collected under this subdivision must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

EFFECTIVE DATE. This section is effective July 1, 2008, and expires June 30, 2012.

Sec. 7. Minnesota Statutes 2006, section 168A.29, as amended by Laws 2007, chapter 143, article 3, section 2, is amended to read:

168A.29 FEES.

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of \$6.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account.

(b) After June 30, 1994, in addition to each of the fees required under paragraph (a), clauses (1) and (3), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

Subd. 2. **Fee in lieu of other fee.** If a person applies for an original or a new certificate of title to a vehicle, concurrently with an application, as transferee, of registration of the vehicle, the fee prescribed in subdivision 1 must be in lieu of the ~~fee fees~~ prescribed by ~~section~~ sections 168.013, subdivision 21, and 168.54, with respect to any transfer of ownership or registration of the vehicle to the applicant.

Subd. 3. **No certificate issued until fees paid.** Subject to subdivision 2, the department shall not issue a certificate of title to a vehicle until all fees prescribed by ~~sections~~ section 168.54 and 168A.10, ~~subdivision 6,~~ with respect to any prior transfer of ownership or registration of the vehicle have been paid.

Sec. 8. Minnesota Statutes 2007 Supplement, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver's License	D-\$22.25	C-\$26.25	B-\$33.25	A-\$41.25
Classified Under-21 D.L.	D-\$22.25	C-\$26.25	B-\$33.25	A-\$21.25
Instruction Permit				\$10.25
Provisional License				\$13.25
Duplicate License or duplicate identification card				\$11.75
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$16.25

In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of \$1.75 until June 30, 2012. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the

fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

Sec. 9. Minnesota Statutes 2006, section 299A.705, is amended by adding a subdivision to read:

Subd. 3. Driver and vehicle services technology account. (a) The driver and vehicle services technology account is created in the special revenue fund, consisting of the technology surcharge collected as specified in chapters 168, 168A, and 171, and any other money otherwise donated, allotted, appropriated, or legislated to this account.

(b) Money in the account is annually appropriated to the commissioner of public safety to support the research, development, deployment, and maintenance of a driver and vehicle services information system.

EFFECTIVE DATE. This section is effective July 1, 2008, and expires June 30, 2012.

Sec. 10. Laws 2007, chapter 143, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. Multimodal Systems

(a) **Aeronautics**

(1) **Airport Development and Assistance** 20,298,000 20,298,000 5,298,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

\$6,000,000 the first year and \$6,000,000 the second year are is a onetime appropriations appropriation and ~~de~~ does not add to the base appropriations. The base for this appropriation for fiscal year 2010 is \$14,298,000.

Of this appropriation \$200,000 the first year is to the Legislative Coordinating Commission for the administrative expenses of the Airport Funding Advisory Task Force and for other costs relating to the preparation of the task force report, including the costs of hiring a consultant, if needed. Any remaining amount of this appropriation shall revert to the state

airports fund.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after appropriation.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(2) Aviation Support and Services

	Appropriations by Fund	
Airports	5,184,000	5,286,000
Trunk Highway	852,000	866,000

\$65,000 the first year and \$65,000 the second year from the state airports fund are for the Civil Air Patrol.

(b) Transit

	Appropriations by Fund	
General	18,813,000	18,816,000
Trunk Highway	740,000	761,000

(c) Freight

	Appropriations by Fund	
General	357,000	367,000
Trunk Highway	5,028,000	5,158,000

Sec. 11. Laws 2008, chapter 152, article 1, section 6, subdivision 2, is amended to read:

Subd. 2. **Appropriation; study.** ~~\$325,000~~ \$300,000 is appropriated from the general fund to the Board of Regents of the University of Minnesota for the Center for Transportation Studies to complete a study to assess the public policy implications of financing new and improved transportation infrastructure in Minnesota through capturing the value of the benefits created, to prepare a report on its findings, and to conduct a series of workshops. This is a onetime appropriation and is available in fiscal years 2008 and 2009.

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

ARTICLE 12

PUBLIC SAFETY

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize the direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ 268,000	\$ (10,490,000)	\$ (10,222,000)
<u>Special Revenue</u>	(25,000)	50,000	25,000
<u>Total</u>	\$ 243,000	\$ (10,440,000)	\$ (10,197,000)

Sec. 2. **PUBLIC SAFETY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 54, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009.

	<u>APPROPRIATIONS</u>		
	<u>Available for the Year</u>		
	<u>Ending June 30</u>		
	<u>2008</u>		<u>2009</u>
Sec. 3. <u>SUPREME COURT</u>	\$	-0-	\$ (951,000)
The appropriation additions or reductions for each purpose are as follows:			
(a) <u>SUPREME COURT OPERATIONS</u>		-0-	(831,000)
(b) <u>CIVIL LEGAL SERVICES</u>		-0-	(120,000)
Sec. 4. <u>COURT OF APPEALS</u>	\$	-0-	\$ (250,000)
Sec. 5. <u>DISTRICT COURTS</u>	\$	-0-	\$ (2,800,000)
This reduction may be applied to any appropriation contained in Laws 2007, chapter 54, article 1, section 5.			
Sec. 6. <u>BOARD OF PUBLIC DEFENSE</u>	\$	-0-	\$ (1,491,000)

Sec. 7. **PUBLIC SAFETY**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>360,000</u>	<u>\$</u>	<u>(2,057,000)</u>
--	------------------	-----------------------	------------------	---------------------------

The appropriation additions or reductions for each purpose are shown in the following subdivisions.

Subd. 2. Emergency Management

<u>(a) State Match</u>		<u>360,000</u>		<u>-0-</u>
-------------------------------	--	----------------	--	------------

This appropriation is to provide a match for FEMA money received for natural disaster assistance payments and is added to appropriations in Laws 2007, chapter 54, article 1, section 10, subdivision 2. It is available until June 30, 2010, and is a onetime appropriation.

<u>(b) Chemical Assessment/HazMat Teams</u>		<u>-0-</u>		<u>(40,000)</u>
--	--	------------	--	-----------------

The appropriation from the general fund in the second year to reimburse local chemical assessment and hazardous materials teams when they respond to incidents is reduced by \$40,000. Reimbursements up to \$40,000 per year are to be made from revenues in the special revenue fund from billings to responsible companies.

Subd. 3. Criminal Apprehension

<u>(a) CriMNet</u>		<u>-0-</u>		<u>(1,265,000)</u>
---------------------------	--	------------	--	--------------------

<u>(b) Agencywide Cut, Except for Office of Justice Programs</u>		<u>-0-</u>		<u>(250,000)</u>
---	--	------------	--	------------------

This reduction may be applied to any program funded under Laws 2007, chapter 54, article 1, section 10, with the exception of the Office of Justice programs. Reductions to the Office of Justice programs are specified in subdivision 4. No other reductions may be made from that office.

Subd. 4. Office of Justice Programs

<u>(a) Financial Crimes Task Force</u>	<u>-0-</u>	<u>(450,000)</u>
--	------------	------------------

<u>(b) Squad Car Cameras</u>	<u>-0-</u>	<u>(52,000)</u>
------------------------------	------------	-----------------

The base for these grants in fiscal year 2010 is \$0.

Sec. 8. <u>HUMAN RIGHTS</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(149,000)</u>
-----------------------------	-----------	------------	-----------	------------------

Sec. 9. <u>CORRECTIONS</u>	<u>\$</u>	<u>(92,000)</u>	<u>\$</u>	<u>(2,792,000)</u>
----------------------------	-----------	-----------------	-----------	--------------------

The appropriation additions or reductions for each purpose are as follows:

<u>(a) Short-Term Offenders</u>	<u>-0-</u>	<u>(2,100,000)</u>
---------------------------------	------------	--------------------

<u>(b) Sentencing to Service</u>	<u>-0-</u>	<u>(600,000)</u>
----------------------------------	------------	------------------

<u>(c) 8-Day Holds</u>	<u>(92,000)</u>	<u>(92,000)</u>
------------------------	-----------------	-----------------

Sec. 10. Minnesota Statutes 2007 Supplement, section 297I.06, subdivision 3, is amended to read:

Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to be known as the fire safety account, is created in the state treasury. The account consists of the proceeds under subdivisions 1 and 2. \$468,000 in fiscal year 2008 and ~~\$2,268,000~~, \$4,268,000 in fiscal year 2009, and \$2,268,000 in each year thereafter is transferred from the fire safety account in the special revenue fund to the general fund to offset the loss of revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums.

Sec. 11. Minnesota Statutes 2006, section 357.021, subdivision 6, is amended to read:

Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided in this paragraph, the court shall impose and the court administrator shall collect a ~~\$72~~ \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of a law or ordinance relating to vehicle parking, for which there shall be a \$4 surcharge. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) If the court fails to impose a surcharge as required by this subdivision, the court administrator shall show the imposition of the surcharge, collect the surcharge, and correct the record.

(c) The court may not waive payment of the surcharge required under this subdivision. Upon a showing of indigency or undue hardship upon the convicted person or the convicted person's

immediate family, the sentencing court may authorize payment of the surcharge in installments.

(d) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of finance.

(e) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the commissioner of finance.

Sec. 12. Minnesota Statutes 2006, section 357.021, subdivision 7, is amended to read:

Subd. 7. **Disbursement of surcharges by commissioner of finance.** (a) Except as provided in paragraphs (b), (c), and (d), the commissioner of finance shall disburse surcharges received under subdivision 6 and section 97A.065, subdivision 2, as follows:

(1) one percent shall be credited to the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws;

(2) 39 percent shall be credited to the peace officers training account in the special revenue fund; and

(3) 60 percent shall be credited to the general fund.

(b) The commissioner of finance shall credit \$3 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of finance shall credit \$44 \$47 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, and the \$4 parking surcharge, to the general fund.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of finance. The \$1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

Sec. 13. Laws 2007, chapter 54, article 1, section 11, is amended to read:

Sec. 11. PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD	\$	<u>4,296,000</u> <u>4,271,000</u>	\$	<u>4,278,000</u> <u>4,328,000</u>
---	----	--------------------------------------	----	--------------------------------------

Excess Amounts Transferred. This appropriation is from the peace officer training account in the special revenue fund. Any new receipts credited to that account in the first year in excess of \$4,296,000 \$4,271,000 must be transferred and credited

to the general fund. Any new receipts credited to that account in the second year in excess of \$4,278,000 \$4,328,000 must be transferred and credited to the general fund.

Peace Officer Training Reimbursements. \$3,159,000 the first year and \$ 3,159,000 the second year are for reimbursements to local governments for peace officer training costs.

No Contact Orders. The board shall: (1) revise and update preservice courses and develop in-service training courses related to no contact orders in domestic violence cases and domestic violence dynamics; and (2) reimburse peace officers who have taken training courses described in clause (1). At a minimum, the training must include instruction in the laws relating to no contact orders and address how to best coordinate law enforcement resources relating to no contact orders. In addition, the training must include a component to instruct peace officers on doing risk assessments of the escalating factors of lethality in domestic violence cases. The board must consult with a statewide domestic violence organization in developing training courses. The board shall utilize a request for proposal process in awarding training contracts. The recipient of the training contract must conduct these trainings with advocates or instructors from a statewide domestic violence organization.

Beginning on January 1, 2008, the board may not approve an in-service training course relating to domestic abuse that does not comply with this section.

ARTICLE 13

STATE GOVERNMENT

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

2008

2009

Total

General	\$	-0-	\$	(1,104,000)	\$	(1,104,000)
---------	----	-----	----	-------------	----	-------------

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 148, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2008</u>	<u>2009</u>

Sec. 3. **LEGISLATURE**

Subdivision 1. <u>Total Reduction</u>	\$	-0-	\$	(1,821,000)
--	----	-----	----	-------------

The appropriation additions or reductions for each purpose are shown in the following subdivisions.

Subd. 2. <u>Senate</u>		-0-		(710,000)
-------------------------------	--	-----	--	-----------

The base budget for the senate shall be \$22,958,000 in fiscal year 2010 and \$22,958,000 in fiscal year 2011.

Subd. 3. <u>House of Representatives</u>		-0-		(952,000)
---	--	-----	--	-----------

The base budget for the house of representatives shall be \$30,866,000 in fiscal year 2010 and \$30,866,000 in fiscal year 2011.

Subd. 4. <u>Legislative Coordinating Commission</u>		-0-		(159,000)
--	--	-----	--	-----------

The base budget for the Legislative Coordinating Commission shall be \$15,734,000 in fiscal year 2010 and \$15,734,000 in fiscal year 2011.

Sec. 4. <u>GOVERNOR</u>	\$	-0-	\$	(113,000)
--------------------------------	----	-----	----	-----------

The base budget for the office of the governor shall be \$3,701,000 in fiscal year 2010 and \$3,701,000 in fiscal year 2011.

Sec. 5. <u>STATE AUDITOR</u>	\$	<u>-0-</u>	\$	<u>(42,000)</u>
------------------------------	----	------------	----	-----------------

Sec. 6. <u>ATTORNEY GENERAL</u>	\$	<u>-0-</u>	\$	<u>(749,000)</u>
---------------------------------	----	------------	----	------------------

Sec. 7. <u>SECRETARY OF STATE</u>	\$	<u>-0-</u>	\$	<u>(195,000)</u>
-----------------------------------	----	------------	----	------------------

The base budget for the secretary of state shall be \$6,134,000 in fiscal year 2010 and \$6,301,000 in fiscal year 2011.

Sec. 8. <u>OFFICE OF ENTERPRISE TECHNOLOGY</u>	\$	<u>-0-</u>	\$	<u>(313,000)</u>
--	----	------------	----	------------------

The base budget for the Office of Enterprise Technology shall be \$6,076,000 in fiscal year 2010 and \$6,076,000 in fiscal year 2011.

Sec. 9. <u>ADMINISTRATION</u>	\$	<u>-0-</u>	\$	<u>(1,274,000)</u>
-------------------------------	----	------------	----	--------------------

\$885,000 of the reduction is from the appropriation for Department of Public Safety relocation expenses.

By June 30, 2009, the commissioner of finance shall transfer \$1,000,000 of the balance in the facilities repair and replacement account in the special revenue fund to the general fund. This amount is in addition to amounts transferred under Minnesota Statutes, section 16B.24, subdivision 5, paragraph (d).

\$40,000 is to design and construct a workers memorial on the Capitol grounds in St. Paul. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 12, subdivision 4.

\$40,000 is for a grant to the Capitol Area Architectural and Planning Board to design and construct a memorial to Hubert H. Humphrey in the Capitol area. This appropriation is added to the appropriations for the same purpose in Laws 1993, chapter 192, section 16; and Laws 1999, chapter 250,

article 1, section 13, and is available until expended.

Sec. 10. **FINANCE** \$ -0- \$ (624,000)

After the Departments of Finance and Employee Relations merge as directed in Laws 2007, chapter 148, article 2, section 80, the commissioner of finance may reallocate fiscal year 2009 general fund appropriation reductions among programs within the merged agency. Any reallocation of funds shall be shown in the program appropriations base for fiscal years 2010 and 2011 according to Minnesota Statutes, section 16A.11, subdivision 3, paragraph (b).

Sec. 11. **EMPLOYEE RELATIONS** \$ -0- \$ (218,000)

The base budget for employee relations shall be \$5,241,000 in fiscal year 2010 and \$5,241,000 in fiscal year 2011 to reflect the reduction and a transfer to the Department of Health for the merger in Laws 2007, chapter 148, article 2, section 80.

Sec. 12. **REVENUE** \$ -0- \$ 6,120,000

\$7,000,000 is for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of \$21,000,000 for fiscal year 2009.

The department must report to the chairs of the house of representatives Ways and Means Committee and senate Finance Committee by March 1, 2009, and January 15, 2010, on the following performance indicators:

(1) the number of corporations noncompliant with the corporate tax system each year and the percentage and dollar amounts of valid tax liabilities collected;

(2) the number of businesses noncompliant with the sales and use tax system and the percentage and dollar amounts of the valid tax

liabilities collected; and

(3) the number of individual noncompliant cases resolved and the percentage and dollar amounts of valid tax liabilities collected.

The reports must also identify base-level expenditures and staff positions related to compliance and audit activities, including baseline information as of January 1, 2006. The information must be provided at the budget activity level.

\$1,240,000 is a reduction from the appropriation for the tax system management program.

\$360,000 is for the costs of administering the data match program under new Minnesota Statutes, section 13B.07, including payments to financial institutions in exchange for performing data matches under that section.

Sec. 13. [5.33] RETURNING COMBAT VETERANS.

If any Minnesota business or nonprofit corporation, limited liability company, cooperative, limited partnership, or limited liability partnership has been administratively or statutorily dissolved, revoked, or terminated after December 31, 2006, for failure to file an annual or periodic report with the Office of the Secretary of State during a calendar year when an individual with substantial responsibility for the operation of the dissolved, revoked, or terminated business or nonprofit corporation, limited liability company, cooperative, limited partnership, or limited liability partnership was serving in active military service in the armed forces of the United States, including the reserves or National Guard, as defined in section 190.05, subdivision 5b or 5c, or was engaged in employment outside of the United States essential to the prosecution of a war or to the national defense, as designated by the United States Congress or the United States Department of Defense, the secretary of state shall waive any reinstatement fee otherwise required by law.

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

Sec. 14. [13B.07] TAX DEBTOR DATA MATCHES.

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Account" means demand deposit account, checking account, negotiable order of withdrawal account, savings account, time deposit account, money market mutual fund account, or certificate of deposit account located in Minnesota.

(b) "Account information" means the type of account, the account number, and whether the account is singly or jointly owned.

(c) "Commissioner" means the commissioner of revenue.

(d) "Debtor" means a person for whom a notice of lien has been filed by the commissioner as provided by section 270C.63, subdivision 2.

(e) "Financial institution" means any of the following that do business in this state:

(1) federal or state commercial banks and federal or state savings banks, including savings and loan associations and cooperative banks;

(2) federal and state chartered credit unions;

(3) safe deposit companies; or

(4) money market mutual funds.

(f) "Person" means a person as defined in section 270C.01, subdivision 6.

(g) "Service level agreement" means an agreement entered into between the commissioner and a financial institution that defines terms and conditions by which the financial institution will provide data matches to the commissioner.

Subd. 2. **Data match system established.** The commissioner shall establish a process for the comparison of account information data held by financial institutions with the Department of Revenue's database of debtors. The commissioner, in consultation with representatives from financial institutions, shall develop an implementation and administration plan for the data match system that attempts to minimize financial burdens on financial institutions for start-up and compliance costs and takes into consideration the financial institutions' existing data match systems. The commissioner shall inform the financial industry of the requirements of this section and the means by which financial institutions can comply no later than October 1, 2008, with the financial institutions receiving the first match requests no earlier than January 1, 2009. The commissioner may enter into service-level agreements with financial institutions.

Subd. 3. **Duty to provide data.** Within 30 days of a request by the commissioner, a financial institution shall provide to the commissioner the name, address, personal identifying information, and account information for each debtor or account holder, in accordance with the method chosen in subdivision 4, who maintains an account at the financial institution. The commissioner may request from a financial institution the data concerning any debtor not more than once every three months.

Subd. 4. **Method to provide data.** To comply with the requirements of this section, a financial institution must elect, in a manner authorized by the commissioner, to either:

(1) provide to the commissioner a list containing only the names and other necessary personal identifying information, including the debtor's address, Social Security number if an individual, and tax identification number if known, of all account holders for the commissioner to compare against its list of debtors for the purpose of identifying which debtors maintain an account at the financial institution; the names of the debtors who maintain an account at the institution shall then be transmitted to the financial institution which shall provide the commissioner with account information on those debtors; or

(2) obtain an electronic list of debtors from the commissioner that includes each debtor's name, address, Social Security number if an individual, and tax identification number if known, and compare that data to the data maintained at the financial institution to identify which of the

identified debtors maintains an account at the financial institution.

Subd. 5. **Means to provide data.** A financial institution must provide the required data in encrypted form by secure electronic means or other means authorized by the commissioner.

Subd. 6. **Access to data.** (a) With regard to account information on all account holders provided by a financial institution under subdivision 4, clause (1), the commissioner shall retain the reported information only until the account information is compared against the commissioner's debtor database. Notwithstanding section 138.17, all account information that does not pertain to a debtor listed in the commissioner's database must be immediately destroyed and no retention or publication of that data shall be made by the commissioner. All account information that pertains to a debtor listed in the commissioner's database must be incorporated into the commissioner's database. Access to that data is governed by chapters 13 and 270B. Notwithstanding section 16D.06, data collected pursuant to this section is available for the collection of delinquent taxes only and is not available for other debt collection activities undertaken by the state.

(b) With regard to data on debtors provided by the commissioner to a financial institution under subdivision 4, clause (2), the financial institution shall retain the reported information only until the financial institution's database is compared against the commissioner's database. Data that does not pertain to an account holder at the financial institution must be immediately destroyed and no retention, publication, or any other use of that data shall be made by the financial institution.

Subd. 7. **Fees.** A financial institution may charge and collect a fee from the commissioner for providing account information to the commissioner. The commissioner may pay a financial institution up to \$150 each quarter. The commissioner shall develop procedures for the financial institutions to charge and collect the fee. Payment of the fee is limited by the amount of the appropriation for this purpose. If the appropriation is insufficient, or if fund availability in the fourth quarter would allow payments for actual costs in excess of \$150, the commissioner shall prorate the available funds among the financial institutions that have submitted a claim for the fee. No financial institution shall charge or collect a fee that exceeds its actual costs of complying with this section. The commissioner, together with an advisory group consisting of representatives of the financial institutions in the state, shall evaluate whether the fees paid to financial institutions compensate them for their actual costs, including start-up costs, of complying with this section, and shall evaluate whether the amount appropriated to the commissioner for the costs of administering the data match system compensates the commissioner for the costs incurred by the department. The advisory group shall submit a report to the legislature by February 1, 2009, with a recommendation for retaining or modifying the fee.

Subd. 8. **Failure to respond to request for information.** The commissioner shall send a written notice of noncompliance to a financial institution that fails to respond to a first written request for information under this section. The notice must be sent by certified mail and must explain the requirements of this section and advise the financial institution of the penalty for noncompliance. A financial institution that receives a second notice of noncompliance is subject to a civil penalty of \$1,000 for its failure to comply. A financial institution that continues to fail to comply with this section is subject to a civil penalty of \$5,000 for the third and each subsequent failure to comply. The penalties imposed under this subdivision are collected in the same manner as taxes. A financial institution that has been served with a notice of noncompliance and incurs a second or subsequent notice of noncompliance has the right to a contested case hearing under chapter 14. A financial institution has 20 days from the date of the service of the notice of noncompliance to file a request

for a contested case hearing with the commissioner. The order of the administrative law judge constitutes the final decision in this case. A financial institution is considered to be in compliance with this section if it demonstrates that it is working in good faith to implement the data match program.

Subd. 9. **Confidentiality.** A financial institution furnishing a report to the commissioner under this section is prohibited from disclosing to a debtor that the name of the debtor has been received from or furnished to the commissioner.

Subd. 10. **Immunity.** A financial institution that provides or reasonably attempts to provide information to the commissioner in compliance with this section is not liable to any person for disclosing the information or for taking any other action in good faith as authorized by this section.

EFFECTIVE DATE. This section is effective July 1, 2008, except that subdivision 8 is effective July 1, 2009.

Sec. 15. Minnesota Statutes 2006, section 15A.0815, subdivision 2, as amended by Laws 2008, chapter 204, section 3, is amended to read:

Subd. 2. **Group I salary limits.** The salaries for positions in this subdivision may not exceed 95 percent of the salary of the governor:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of finance;

Commissioner of health;

Executive director, Minnesota Office of Higher Education;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of natural resources;

Director of Office of Strategic and Long-Range Planning;

Commissioner, Pollution Control Agency;

Executive director, Public Employees Retirement Association;

Commissioner of public safety;

Commissioner of revenue;
Executive director, State Retirement System;
Executive director, Teachers Retirement Association;
 Commissioner of employment and economic development;
 Commissioner of transportation; and
 Commissioner of veterans affairs.

Sec. 16. Minnesota Statutes 2006, section 15A.0815, subdivision 3, is amended to read:

Subd. 3. **Group II salary limits.** The salaries for positions in this subdivision may not exceed 85 percent of the salary of the governor:

Executive director of Gambling Control Board;
 Commissioner, Iron Range Resources and Rehabilitation Board;
 Commissioner, Bureau of Mediation Services;
 Ombudsman for Mental Health and Developmental Disabilities;
 Chair, Metropolitan Council;
 Executive director of pari-mutuel racing; and
~~Executive director, Public Employees Retirement Association;~~
 Commissioner, Public Utilities Commission;
~~Executive director, State Retirement System; and~~
~~Executive director, Teachers Retirement Association.~~

Sec. 17. Minnesota Statutes 2006, section 270B.085, is amended by adding a subdivision to read:

Subd. 4. **Data matching program for collection of tax debts.** The commissioner may disclose the name, last known address, and Social Security number of taxpayers who owe delinquent state taxes for the purpose of administering the tax debt data matching program with financial institutions under section 13B.07.

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

Sec. 18. Laws 2005, chapter 156, article 1, section 11, subdivision 2, is amended to read:

Subd. 2. State Facilities Services	16,070,000	10,946,000
---	------------	------------

\$5,124,000 the first year is for onetime funding of agency relocation expenses. This amount is available until June 30, 2009. The Department of Human Services will obtain federal reimbursement for associated

relocation expenses. This amount, estimated to be \$1,870,000, will be deposited in the general fund.

\$7,888,000 the first year and \$7,888,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

\$2,000,000 of the balance in the state building code account in the state government special revenue fund is canceled to the general fund.

\$1,950,000 the first year and \$1,950,000 the second year of the balance in the facilities repair and replacement account in the special revenue fund is canceled to the general fund. This is a onetime cancellation.

Sec. 19. Laws 2006, chapter 282, article 2, section 27, subdivision 4, is amended to read:

Subd. 4. **Expiration.** The commission expires ~~December 31, 2008~~ June 30, 2009.

Sec. 20. Laws 2007, chapter 148, article 1, section 12, subdivision 4, is amended to read:

Subd. 4. Administrative Management Services	5,672,000	5,218,000
--	-----------	-----------

(a) \$125,000 the first year is to create an Office of Grants Management to standardize state grants management policies and procedures. For the fiscal year beginning July 1, 2008, the commissioner ~~must~~ may deduct up to \$125,000 from state grants that are subject to Minnesota Statutes, section 16B.97, to ~~nongovernmental nonstate~~ entities, as necessary to fund the commissioner's duties under new Minnesota Statutes, sections 16B.97 and 16B.98. The amount deducted from appropriations for these grants is transferred to the commissioner for purposes of administering these sections.

(b) \$250,000 the first year and \$250,000 the second year are to establish a small agency resource team to consolidate and streamline the human resources and financial management activities for small state agencies, boards, and councils.

(c) \$500,000 the first year is a onetime appropriation for a targeted group business disparity study. The commissioner must cooperate with units of local government conducting similar studies. The commissioner shall ensure that the results of the study are kept current and that any new or upgraded accounting or procurement systems properly record purchases from minority and female-owned businesses through the use of state contracts, and the availability of bids from those businesses.

(d) \$74,000 the first year and \$74,000 the second year are for the Council on Developmental Disabilities.

(e) \$140,000 in fiscal year 2008 and \$140,000 in fiscal year 2009 are for a grant to the Council on Developmental Disabilities for the purpose of establishing a statewide self-advocacy network for persons with intellectual and developmental disabilities (ID/DD). The self-advocacy network shall:

(1) ensure that persons with ID/DD are informed of their rights in employment, housing, transportation, voting, government policy, and other issues pertinent to the ID/DD community;

(2) provide public education and awareness of the civil and human rights issues persons with ID/DD face;

(3) provide funds, technical assistance, and other resources for self-advocacy groups across the state; and

(4) organize systems of communications to facilitate an exchange of information between self-advocacy groups.

This appropriation is in addition to any other appropriations and must be added to the base appropriation beginning in fiscal year 2010.

Sec. 21. PROFESSIONAL AND TECHNICAL CONTRACTS.

By July 1, 2008, the commissioner of finance shall allocate a reduction of \$1,875,000 among

the general fund appropriations for fiscal year 2009 to executive branch state agencies, as defined in Minnesota Statutes, section 16A.011, subdivision 12a. To the extent possible, this reduction must be achieved through reductions in expenditures for professional and technical contracts, as defined in Minnesota Statutes, section 16C.08, subdivision 1. Executive branch state agencies shall cooperate with the commissioner of finance in developing and implementing the reductions. Any reductions that cannot be achieved through savings in professional and technical contracts must be allocated proportionally across executive branch state agency operating budgets. For the purposes of defining the base under Minnesota Statutes, section 16A.11, subdivision 3, paragraph (b), \$575,000 each year must be allocated as a permanent reduction to state agency base appropriations for fiscal years 2010 and 2011. The reductions must be allocated in proportion to the fiscal year 2009 reduction. For purposes of this subdivision, "executive branch state agency" does not include the Minnesota State Colleges and Universities. By January 15, 2009, the commissioner of finance shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over finance regarding the amount of the reductions in professional and technical contract spending by each agency.

Sec. 22. LEGISLATORS' FORUM.

During the biennium ending June 30, 2009, the Legislative Coordinating Commission must pay expenses associated with Minnesota legislators' participation in a legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

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

ARTICLE 14

RESERVES AND TRANSFERS

Section 1. BUDGET RESERVE REDUCTION.

On July 1, 2008, the commissioner of finance shall cancel \$500,000,000 of the balance in the budget reserve account in Minnesota Statutes, section 16A.152, to the general fund.

Sec. 2. DUPLICATE APPROPRIATIONS.

Unless another act explicitly provides otherwise, appropriations and transfers made in this act and other acts must be implemented only once even if the provision or a similar provision with the same fiscal effect in the same fiscal year is included in another act. This section applies to laws enacted in the 2008 regular session.

Sec. 3. SEVERABLE PROVISIONS.

If any provision of this act is found to be unconstitutional, the remaining provisions of this act remain valid.

ARTICLE 15

CONTINUING CARE

Section 1. Minnesota Statutes 2006, section 256B.0621, subdivision 2, is amended to read:

Subd. 2. **Targeted case management; definitions.** For purposes of subdivisions 3 to 10, the following terms have the meanings given them:

(1) "home care service recipients" means those individuals receiving the following services under sections 256B.0651 to 256B.0656: skilled nursing visits, home health aide visits, private duty nursing, personal care assistants, or therapies provided through a home health agency;

(2) "home care targeted case management" means the provision of targeted case management services for the purpose of assisting home care service recipients to gain access to needed services and supports so that they may remain in the community;

(3) "institutions" means hospitals, consistent with Code of Federal Regulations, title 42, section 440.10; regional treatment center inpatient services, consistent with section 245.474; nursing facilities; and intermediate care facilities for persons with developmental disabilities;

(4) "relocation targeted case management" includes the provision of both county targeted case management and public or private vendor service coordination services for the purpose of assisting recipients to gain access to needed services and supports if they choose to move from an institution to the community. Relocation targeted case management may be provided during the lesser of:

(i) the last 180 consecutive days of an eligible recipient's institutional stay; or

(ii) the limits and conditions which apply to federal Medicaid funding for this service; and

(5) "targeted case management" means case management services provided to help recipients gain access to needed medical, social, educational, and other services and supports.

Sec. 2. Minnesota Statutes 2006, section 256B.0621, subdivision 6, is amended to read:

Subd. 6. **Eligible services.** (a) Services eligible for medical assistance reimbursement as targeted case management include:

(1) assessment of the recipient's need for targeted case management services and for persons choosing to relocate, the county must provide service coordination provider options at the first contact and upon request;

(2) development, completion, and regular review of a written individual service plan, which is based upon the assessment of the recipient's needs and choices, and which will ensure access to medical, social, educational, and other related services and supports;

(3) routine contact or communication with the recipient, recipient's family, primary caregiver, legal representative, substitute care provider, service providers, or other relevant persons identified as necessary to the development or implementation of the goals of the individual service plan;

(4) coordinating referrals for, and the provision of, case management services for the recipient with appropriate service providers, consistent with section 1902(a)(23) of the Social Security Act;

(5) coordinating and monitoring the overall service delivery and engaging in advocacy as needed to ensure quality of services, appropriateness, and continued need;

(6) completing and maintaining necessary documentation that supports and verifies the activities in this subdivision;

(7) assisting individuals in order to access needed services, including travel to conduct a visit with the recipient or other relevant person necessary to develop or implement the goals of the individual service plan; and

(8) coordinating with the institution discharge planner ~~in the 180-day period~~ before the recipient's discharge.

(b) Relocation targeted county case management includes services under paragraph (a), clauses (1), (2), and (4). Relocation service coordination includes services under paragraph (a), clauses (3) and (5) to (8). Home care targeted case management includes services under paragraph (a), clauses (1) to (8).

Sec. 3. Minnesota Statutes 2006, section 256B.0621, subdivision 10, is amended to read:

Subd. 10. **Payment rates.** The commissioner shall set payment rates for targeted case management under this subdivision. Case managers may bill according to the following criteria:

(1) for relocation targeted case management, case managers may bill for direct case management activities, including face-to-face and telephone contacts, in the lesser of:

(i) 180 days preceding an eligible recipient's discharge from an institution; or

(ii) the limits and conditions which apply to federal Medicaid funding for this service;

(2) for home care targeted case management, case managers may bill for direct case management activities, including face-to-face and telephone contacts; and

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

Sec. 4. Minnesota Statutes 2007 Supplement, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness and children with severe emotional disturbance. Services provided under this section must meet the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

(b) Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical assistance reimbursement for case management services for children with severe emotional disturbance when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

(c) Medical assistance and MinnesotaCare payment for mental health case management shall be made on a monthly basis. In order to receive payment for an eligible child, the provider must document at least a face-to-face contact with the child, the child's parents, or the child's legal representative. To receive payment for an eligible adult, the provider must document:

(1) at least a face-to-face contact with the adult or the adult's legal representative; or

(2) at least a telephone contact with the adult or the adult's legal representative and document a face-to-face contact with the adult or the adult's legal representative within the preceding two months.

(d) Payment for mental health case management provided by county or state staff shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), with separate rates calculated for child welfare and mental health, and within mental health, separate rates for children and adults.

(e) Payment for mental health case management provided by Indian health services or by agencies operated by Indian tribes may be made according to this section or other relevant federally approved rate setting methodology.

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

(g) If the service is provided by a team which includes contracted vendors, tribal staff, and county or state staff, the costs for county or state staff participation in the team shall be included in the rate for county-provided services. In this case, the contracted vendor, the tribal agency, 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, each entity must document, in the recipient's file, the need for team case management and a description of the roles of the team members.

(h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for mental health 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. If the service is provided by a tribal agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the recipient's county of responsibility.

(i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance, general assistance medical care, and MinnesotaCare include mental health case management. When the service is provided through prepaid capitation, the nonfederal share is paid by the state and the county pays no share.

(j) The commissioner may suspend, reduce, or terminate the 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, or, if applicable, the tribal agency, is responsible for any federal disallowances. The county or tribe may share this responsibility with its contracted vendors.

(k) The commissioner shall set aside a portion of the federal funds earned for county expenditures under this section to repay the special revenue maximization account under section 256.01, subdivision 2, clause (15). The repayment is limited to:

- (1) the costs of developing and implementing this section; and
- (2) programming the information systems.

(l) Payments to counties and tribal agencies for case management expenditures under this section shall only be made from federal earnings from services provided under this section. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors shall include the federal earnings, the state share, and the county share.

(m) Case management services under this subdivision do not include therapy, treatment, legal, or outreach services.

(n) 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 case management services under this subdivision is limited to the lesser of:

- (1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or
- (2) the limits and conditions which apply to federal Medicaid funding for this service.

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

Sec. 5. [256B.0658] HOUSING ACCESS GRANTS.

The commissioner of human services shall award through a competitive process contracts for grants to public and private agencies to support and assist individuals eligible for publicly funded home and community-based services, including state plan home care, to access housing. Grants may be awarded to agencies that may include, but are not limited to, the following supports: assessment to assure suitability of housing, accompanying an individual to look at housing, filling out applications and rental agreements, meeting with landlords, helping with Section 8 or other program applications, helping to develop a budget, obtaining furniture and household goods, if necessary, and assisting with any problems that may arise with housing.

Sec. 6. Minnesota Statutes 2006, section 256B.0924, subdivision 4, is amended to read:

Subd. 4. **Targeted case management service activities.** (a) For persons with developmental disabilities, targeted case management services must meet the provisions of section 256B.092.

(b) For persons not eligible as a person with a developmental disability, targeted case management service activities include:

- (1) an assessment of the person's need for targeted case management services;
- (2) the development of a written personal service plan;
- (3) a regular review and revision of the written personal service plan with the recipient and the recipient's legal representative, and others as identified by the recipient, to ensure access to necessary services and supports identified in the plan;
- (4) effective communication with the recipient and the recipient's legal representative and others

identified by the recipient;

(5) coordination of referrals for needed services with qualified providers;

(6) coordination and monitoring of the overall service delivery to ensure the quality and effectiveness of services;

(7) assistance to the recipient and the recipient's legal representative to help make an informed choice of services;

(8) advocating on behalf of the recipient when service barriers are encountered or referring the recipient and the recipient's legal representative to an independent advocate;

(9) monitoring and evaluating services identified in the personal service plan to ensure personal outcomes are met and to ensure satisfaction with services and service delivery;

(10) conducting face-to-face monitoring with the recipient at least twice a year;

(11) completing and maintaining necessary documentation that supports and verifies the activities in this section;

(12) coordinating with the medical assistance facility discharge planner ~~in the 180-day period~~ prior to the recipient's discharge into the community; and

(13) a personal service plan developed and reviewed at least annually with the recipient and the recipient's legal representative. The personal service plan must be revised when there is a change in the recipient's status. The personal service plan must identify:

(i) the desired personal short and long-term outcomes;

(ii) the recipient's preferences for services and supports, including development of a person-centered plan if requested; and

(iii) formal and informal services and supports based on areas of assessment, such as: social, health, mental health, residence, family, educational and vocational, safety, legal, self-determination, financial, and chemical health as determined by the recipient and the recipient's legal representative and the recipient's support network.

Sec. 7. Minnesota Statutes 2006, 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) 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 commissioner of finance. 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 lesser of:

(1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(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. 8. Minnesota Statutes 2006, section 256B.19, subdivision 1d, is amended to read:

Subd. 1d. **Portion of nonfederal share to be paid by certain counties.** (a) In addition to the percentage contribution paid by a county under subdivision 1, the governmental units designated in this subdivision shall be responsible for an additional portion of the nonfederal share of medical assistance cost. For purposes of this subdivision, "designated governmental unit" means the counties of Becker, Beltrami, Clearwater, Cook, Dodge, Hubbard, Itasca, Lake, Pennington, Pipestone, Ramsey, St. Louis, Steele, Todd, Traverse, and Wadena.

(b) Beginning in 1994, each of the governmental units designated in this subdivision shall transfer before noon on May 31 to the state Medicaid agency an amount equal to the number of licensed beds in any nursing home owned and operated by the county on that date, with the county named as licensee, multiplied by \$5,723. If two or more counties own and operate a nursing home, the payment shall be prorated. These sums shall be part of the designated governmental unit's portion of the nonfederal share of medical assistance costs.

(c) Beginning in 2002, in addition to any transfer under paragraph (b), each of the governmental units designated in this subdivision shall transfer before noon on May 31 to the state Medicaid agency an amount equal to the number of licensed beds in any nursing home owned and operated by the county on that date, with the county named as licensee, multiplied by \$10,784. The provisions of paragraph (b) apply to transfers under this paragraph.

~~(d) Beginning in 2003, in addition to any transfer under paragraphs (b) and (c), each of the governmental units designated in this subdivision shall transfer before noon on May 31 to the state Medicaid agency an amount equal to the number of licensed beds in any nursing home owned and operated by the county on that date, with the county named as licensee, multiplied by \$2,230. The provisions of paragraph (b) apply to transfers under this paragraph.~~

~~(e) (d) The commissioner may reduce the intergovernmental transfers under paragraphs paragraph (c) and (d) based on the commissioner's determination of the payment rate in section 256B.431, subdivision 23, paragraphs (c), and (d), and (e). Any adjustments must be made on a per-bed basis and must result in an amount equivalent to the total amount resulting from the rate adjustment in section 256B.431, subdivision 23, paragraphs (c), and (d), and (e).~~

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

Sec. 9. Minnesota Statutes 2006, section 256B.431, subdivision 23, is amended to read:

Subd. 23. **County nursing home payment adjustments.** (a) Beginning in 1994, the commissioner shall pay a nursing home payment adjustment on May 31 after noon to a county in which is located a nursing home that, on that date, was county-owned and operated, with the county named as licensee by the commissioner of health, and had over 40 beds and medical assistance occupancy in excess of 50 percent during the reporting year ending September 30, 1991. The adjustment shall be an amount equal to \$16 per calendar day multiplied by the number of beds licensed in the facility on that date.

(b) Payments under paragraph (a) are excluded from medical assistance per diem rate calculations. These payments are required notwithstanding any rule prohibiting medical assistance payments from exceeding payments from private pay residents. A facility receiving a payment under paragraph (a) may not increase charges to private pay residents by an amount equivalent to the per diem amount payments under paragraph (a) would equal if converted to a per diem.

(c) Beginning in 2002, in addition to any payment under paragraph (a), the commissioner shall pay to a nursing facility described in paragraph (a) an adjustment in an amount equal to \$29.55 per calendar day multiplied by the number of beds licensed in the facility on that date. The provisions of paragraphs (a) and (b) apply to payments under this paragraph.

~~(d) Beginning in 2003, in addition to any payment under paragraphs (a) and (c), the commissioner shall pay to a nursing facility described in paragraph (a) an adjustment in an amount equal to \$6.11 per calendar day multiplied by the number of beds licensed in the facility on that date. The provisions of paragraphs (a) and (b) apply to payments under this paragraph.~~

~~(e)~~ (d) The commissioner may reduce payments under ~~paragraphs~~ paragraph (c) and (d) based on the commissioner's determination of Medicare upper payment limits. Any adjustments must be proportional to adjustments made under section 256B.19, subdivision 1d, paragraph ~~(e)~~ (d).

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

Sec. 10. Minnesota Statutes 2007 Supplement, section 256B.441, subdivision 1, is amended to read:

Subdivision 1. **Rebasing of nursing facility operating cost payment rates.** (a) The commissioner shall rebase nursing facility operating cost payment rates to align payments to facilities with the cost of providing care. The rebased operating cost payment rates shall be calculated using the statistical and cost report filed by each nursing facility for the report period ending one year prior to the rate year.

(b) The new operating cost payment rates based on this section shall take effect beginning with the rate year beginning October 1, 2008, and shall be phased in over eight rate years through October 1, 2015. For each year of the phase-in, the operating payment rates shall be calculated using the statistical and cost report filed by each nursing facility for the report period ending one year prior to the rate year.

(c) Operating cost payment rates shall be rebased on October 1, 2016, and every two years after that date.

(d) Each cost reporting year shall begin on October 1 and end on the following September 30. Beginning in 2006, a statistical and cost report shall be filed by each nursing facility by January 15. Notice of rates shall be distributed by August 15 and the rates shall go into effect on October 1 for one year.

(e) Effective October 1, 2014, property rates shall be rebased in accordance with section 256B.431 and Minnesota Rules, chapter 9549. The commissioner shall determine what the property payment rate for a nursing facility would be had the facility not had its property rate determined under section 256B.434. The commissioner shall allow nursing facilities to provide information affecting this rate determination that would have been filed annually under Minnesota Rules, chapter 9549, and nursing facilities shall report information necessary to determine allowable debt.

The commissioner shall use this information to determine the property payment rate.

Sec. 11. Minnesota Statutes 2007 Supplement, section 256B.441, subdivision 55, is amended to read:

Subd. 55. Phase-in of rebased operating ~~cost~~ payment rates. (a) For the rate years beginning October 1, 2008, to October 1, ~~2012~~ 2015, the operating ~~cost~~ payment rate calculated under this section shall be phased in by blending the operating ~~cost~~ rate with the operating ~~cost~~ payment rate determined under section 256B.434. For purposes of this subdivision, the rate to be used that is determined under section 256B.434 shall not include the portion of the operating payment rate related to performance-based incentive payments under section 256B.434, subdivision 4, paragraph (d). For the rate year beginning October 1, 2008, the operating ~~cost~~ payment rate for each facility shall be 13 percent of the operating ~~cost~~ payment rate from this section, and 87 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2009, the operating ~~cost~~ payment rate for each facility shall be 14 percent of the operating ~~cost~~ payment rate from this section, and 86 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2010, the operating ~~cost~~ payment rate for each facility shall be 14 percent of the operating ~~cost~~ payment rate from this section, and 86 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2011, the operating ~~cost~~ payment rate for each facility shall be 31 percent of the operating ~~cost~~ payment rate from this section, and 69 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2012, the operating ~~cost~~ payment rate for each facility shall be 48 percent of the operating ~~cost~~ payment rate from this section, and 52 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2013, the operating ~~cost~~ payment rate for each facility shall be 65 percent of the operating ~~cost~~ payment rate from this section, and 35 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2014, the operating ~~cost~~ payment rate for each facility shall be 82 percent of the operating ~~cost~~ payment rate from this section, and 18 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2015, the operating ~~cost~~ payment rate for each facility shall be the operating ~~cost~~ payment rate determined under this section. The blending of operating ~~cost~~ payment rates under this section shall be performed separately for each RUG's class.

(b) For the rate year beginning October 1, 2008, the commissioner shall apply limits to the operating payment rate increases under paragraph (a) by creating a minimum percentage increase and a maximum percentage increase.

(1) Each nursing facility that receives a blended October 1, 2008, operating payment rate increase under paragraph (a) of less than one percent, when compared to its operating payment rate on September 30, 2008, computed using rates with RUG's weight of 1.00, shall receive a rate adjustment of one percent.

(2) The commissioner shall determine a maximum percentage increase that will result in savings equal to the cost of allowing the minimum increase in clause (1). Nursing facilities with a blended October 1, 2008, operating payment rate increase under paragraph (a) greater than the maximum percentage increase determined by the commissioner, when compared to its operating payment rate on September 30, 2008, computed using rates with a RUG's weight of 1.00, shall receive the maximum percentage increase.

(3) Nursing facilities with a blended October 1, 2008, operating payment rate increase under

paragraph (a) greater than one percent and less than the maximum percentage increase determined by the commissioner, when compared to its operating payment rate on September 30, 2008, computed using rates with a RUG's weight of 1.00, shall receive the blended October 1, 2008, operating payment rate increase determined under paragraph (a).

(4) The October 1, 2009, through October 1, 2015, operating payment rate for facilities receiving the maximum percentage increase determined in clause (2) shall be the amount determined under paragraph (a) less the difference between the amount determined under paragraph (a) for October 1, 2008, and the amount allowed under clause (2). This rate restriction does not apply to rate increases provided in any other section.

~~(b)~~ (c) A portion of the funds received under this subdivision that are in excess of operating cost payment rates that a facility would have received under section 256B.434, as determined in accordance with clauses (1) to (3), shall be subject to the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h).

(1) Determine the amount of additional funding available to a facility, which shall be equal to total medical assistance resident days from the most recent reporting year times the difference between the blended rate determined in paragraph (a) for the rate year being computed and the blended rate for the prior year.

(2) Determine the portion of all operating costs, for the most recent reporting year, that are compensation related. If this value exceeds 75 percent, use 75 percent.

(3) Subtract the amount determined in clause (2) from 75 percent.

(4) The portion of the fund received under this subdivision that shall be subject to the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h), shall equal the amount determined in clause (1) times the amount determined in clause (3).

Sec. 12. Minnesota Statutes 2007 Supplement, section 256B.441, subdivision 56, is amended to read:

Subd. 56. **Hold harmless.** For the rate years beginning October 1, 2008, to October 1, 2016, no nursing facility shall receive an operating cost payment rate less than its operating cost payment rate under section 256B.434. For rate years beginning between October 1, 2009, and October 1, 2015, no nursing facility shall receive an operating payment rate less than its operating payment rate in effect on September 30, 2009. The comparison of operating cost payment rates under this section shall be made for a RUG's rate with a weight of 1.00.

Sec. 13. Minnesota Statutes 2007 Supplement, section 256B.5012, subdivision 7, is amended to read:

Subd. 7. **ICF/MR rate increases effective October 1, 2007, and October 1, 2008.** (a) For the rate year beginning October 1, 2007, the commissioner shall make available to each facility reimbursed under this section operating payment rate adjustments equal to 2.0 percent of the operating payment rates in effect on September 30, 2007. For the rate year beginning ~~July~~ October 1, 2008, the commissioner shall make available to each facility reimbursed under this section operating payment rate adjustments equal to 2.0 percent of the operating payment rates in effect on ~~June~~ September 30, 2008. For each facility, the commissioner shall make available an adjustment, based on occupied beds, using the percentage specified in this paragraph multiplied by the total

payment rate, including the variable rate but excluding the property-related payment rate, in effect on the preceding day. The total payment rate shall include the adjustment provided in section 256B.501, subdivision 12. A facility whose payment rates are governed by closure agreements, receivership agreements, or Minnesota Rules, part 9553.0075, is not eligible for an adjustment otherwise granted under this subdivision.

(b) Seventy-five percent of the money resulting from the rate adjustments under paragraph (a) must be used for increases in compensation-related costs for employees directly employed by the facility on or after the effective date of the rate adjustments, except:

(1) the administrator;

(2) persons employed in the central office of a corporation that has an ownership interest in the facility or exercises control over the facility; and

(3) persons paid by the facility under a management contract.

(c) Two-thirds of the money available under paragraph (b) must be used for wage increases for all employees directly employed by the facility on or after the effective date of the rate adjustments, except those listed in paragraph (b), clauses (1) to (3). The wage adjustment that employees receive under this paragraph must be paid as an equal hourly percentage wage increase for all eligible employees. All wage increases under this paragraph must be effective on the same date. Only costs associated with the portion of the equal hourly percentage wage increase that goes to all employees shall qualify under this paragraph. Costs associated with wage increases in excess of the amount of the equal hourly percentage wage increase provided to all employees shall be allowed only for meeting the requirements in paragraph (b). This paragraph shall not apply to employees covered by a collective bargaining agreement.

(d) The commissioner shall allow as compensation-related costs all costs for:

(1) wages and salaries;

(2) FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation;

(3) the employer's share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and pensions; and

(4) other benefits provided, subject to the approval of the commissioner.

(e) The portion of the rate adjustments under paragraph (a) that is not subject to the requirements in paragraphs (b) and (c) shall be provided to facilities effective October 1 of each year.

(f) Facilities may apply for the portion of the rate adjustments under paragraph (a) that is subject to the requirements in paragraphs (b) and (c). The application must be submitted to the commissioner within six months of the effective date of the rate adjustments, and the facility must provide additional information required by the commissioner within nine months of the effective date of the rate adjustments. The commissioner must respond to all applications within three weeks of receipt. The commissioner may waive the deadlines in this paragraph under extraordinary circumstances, to be determined at the sole discretion of the commissioner. The application must contain:

- (1) an estimate of the amounts of money that must be used as specified in paragraphs (b) and (c);
 - (2) a detailed distribution plan specifying the allowable compensation-related and wage increases the facility will implement to use the funds available in clause (1);
 - (3) a description of how the facility will notify eligible employees of the contents of the approved application, which must provide for giving each eligible employee a copy of the approved application, excluding the information required in clause (1), or posting a copy of the approved application, excluding the information required in clause (1), for a period of at least six weeks in an area of the facility to which all eligible employees have access; and
 - (4) instructions for employees who believe they have not received the compensation-related or wage increases specified in clause (2), as approved by the commissioner, and which must include a mailing address, e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative.
- (g) The commissioner shall ensure that cost increases in distribution plans under paragraph (f), clause (2), that may be included in approved applications, comply with requirements in clauses (1) to (4):
- (1) costs to be incurred during the applicable rate year resulting from wage and salary increases effective after October 1, 2006, and prior to the first day of the facility's payroll period that includes October 1 of each year shall be allowed if they were not used in the prior year's application and they meet the requirements of paragraphs (b) and (c);
 - (2) a portion of the costs resulting from tenure-related wage or salary increases may be considered to be allowable wage increases, according to formulas that the commissioner shall provide, where employee retention is above the average statewide rate of retention of direct care employees;
 - (3) the annualized amount of increases in costs for the employer's share of health and dental insurance, life insurance, disability insurance, and workers' compensation shall be allowable compensation-related increases if they are effective on or after April 1 of the year in which the rate adjustments are effective and prior to April 1 of the following year; and
 - (4) for facilities in which employees are represented by an exclusive bargaining representative, the commissioner shall approve the application only upon receipt of a letter of acceptance of the distribution plan, as regards members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2007. Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this section as having been met in regard to the members of the bargaining unit.
- (h) The commissioner shall review applications received under paragraph (f) and shall provide the portion of the rate adjustments under paragraphs (b) and (c) if the requirements of this subdivision have been met. The rate adjustments shall be effective October 1 of each year. Notwithstanding paragraph (a), if the approved application distributes less money than is available, the amount of the rate adjustment shall be reduced so that the amount of money made available is equal to the amount to be distributed.

Sec. 14. Minnesota Statutes 2006, section 256B.69, subdivision 6, is amended to read:

Subd. 6. **Service delivery.** (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in sections 256B.02, subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to enrollees. Notwithstanding section 256B.0621, demonstration providers that provide nursing home and community-based services under this section shall provide relocation service coordination to enrolled persons age 65 and over;

(2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees; and

(4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a clean claim, as defined in Code of Federal Regulations, title 42, section 447.45(b), within 30 business days of the date of acceptance of the claim.

Sec. 15. Minnesota Statutes 2006, section 256D.44, subdivision 2, is amended to read:

Subd. 2. **Standard of assistance for persons eligible for medical assistance waivers or at risk of placement in a group residential housing facility.** The state standard of assistance for a person who: (1) is eligible for a medical assistance home and community-based services waiver ~~or a person who;~~ (2) has been determined by the local agency to meet the plan requirements for placement in a group residential housing facility under section 256I.04, subdivision 1a; or (3) is eligible for a shelter needy payment under subdivision 5, paragraph (f), is the standard established in subdivision 3, paragraph (a) or (b).

EFFECTIVE DATE. This section is effective January 1, 2009.

Sec. 16. Minnesota Statutes 2006, section 256D.44, subdivision 5, is amended to read:

Subd. 5. **Special needs.** In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment center, or a group residential housing facility.

(a) The county agency shall pay a monthly allowance for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by a licensed physician. Costs for special diets shall be determined as percentages of the allotment for a one-person household under the thrifty food plan as defined by the United States Department of Agriculture. The types of diets and the percentages of the thrifty food plan that are covered are as follows:

- (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;
- (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of thrifty food plan;
- (3) controlled protein diet, less than 40 grams and requires special products, 125 percent of thrifty food plan;
- (4) low cholesterol diet, 25 percent of thrifty food plan;
- (5) high residue diet, 20 percent of thrifty food plan;
- (6) pregnancy and lactation diet, 35 percent of thrifty food plan;
- (7) gluten-free diet, 25 percent of thrifty food plan;
- (8) lactose-free diet, 25 percent of thrifty food plan;
- (9) antidumping diet, 15 percent of thrifty food plan;
- (10) hypoglycemic diet, 15 percent of thrifty food plan; or
- (11) ketogenic diet, 25 percent of thrifty food plan.

(b) Payment for nonrecurring special needs must be allowed for necessary home repairs or necessary repairs or replacement of household furniture and appliances using the payment standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as other funding sources are not available.

(c) A fee for guardian or conservator service is allowed at a reasonable rate negotiated by the county or approved by the court. This rate shall not exceed five percent of the assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian or conservator is a member of the county agency staff, no fee is allowed.

(d) The county agency shall continue to pay a monthly allowance of \$68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and who eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person's living arrangement changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first.

(e) A fee of ten percent of the recipient's gross income or \$25, whichever is less, is allowed for representative payee services provided by an agency that meets the requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.

(f) (1) Notwithstanding the language in this subdivision, an amount equal to the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of ~~January~~ July of ~~the previous~~ each year will be added to the standards of assistance established in subdivisions 1 to 4 for ~~individuals~~ adults under the age of 65 who qualify as shelter needy and are: (i) relocating from an institution, or an adult mental health residential treatment program under section 256B.0622, and who are shelter needy; (ii) eligible for the self-directed supports option as defined under section 256B.0657, subdivision 2; or (iii) home and

community-based waiver recipients living in their own home or rented or leased apartment which is not owned, operated, or controlled by a provider of service not related by blood or marriage.

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Shelter needy" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered shelter needy for purposes of this paragraph.

EFFECTIVE DATE. This section is effective January 1, 2009.

Sec. 17. Laws 2007, chapter 147, article 7, section 71, is amended to read:

Sec. 71. **PROVIDER RATE INCREASES.**

(a) The commissioner of human services shall increase allocations, reimbursement rates, or rate limits, as applicable, by 2.0 percent beginning October 1, 2007, and by 2.0 percent beginning ~~July~~ October 1, 2008, effective for services rendered on or after those dates. County contracts for services specified in this section must be amended to pass through these rate adjustments within 60 days of the effective date of the increase and must be retroactive from the effective date of the rate adjustment.

(b) The annual rate increases described in this section must be provided to:

(1) home and community-based waived services for persons with developmental disabilities or related conditions, including consumer-directed community supports, under Minnesota Statutes, section 256B.501;

(2) home and community-based waived services for the elderly, including consumer-directed community supports, under Minnesota Statutes, section 256B.0915;

(3) waived services under community alternatives for disabled individuals, including consumer-directed community supports, under Minnesota Statutes, section 256B.49;

(4) community alternative care waived services, including consumer-directed community supports, under Minnesota Statutes, section 256B.49;

(5) traumatic brain injury waived services, including consumer-directed community supports, under Minnesota Statutes, section 256B.49;

(6) nursing services and home health services under Minnesota Statutes, section 256B.0625, subdivision 6a;

(7) personal care services and qualified professional supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivision 19a;

(8) private duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7;

(9) day training and habilitation services for adults with developmental disabilities or related

conditions under Minnesota Statutes, sections 252.40 to 252.46, including the additional cost of rate adjustments on day training and habilitation services, provided as a social service under Minnesota Statutes, section 256M.60;

(10) alternative care services under Minnesota Statutes, section 256B.0913;

(11) adult residential program grants under Minnesota Statutes, section 245.73;

(12) children's community-based mental health services grants and adult community support and case management services grants under Minnesota Rules, parts 9535.1700 to 9535.1760;

(13) the group residential housing supplementary service rate under Minnesota Statutes, section 256I.05, subdivision 1a;

(14) adult mental health integrated fund grants under Minnesota Statutes, section 245.4661;

(15) semi-independent living services (SILS) under Minnesota Statutes, section 252.275, including SILS funding under county social services grants formerly funded under Minnesota Statutes, chapter 256I;

(16) community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication under Minnesota Statutes, section 256.01, subdivision 2; and deaf and hard-of-hearing grants under Minnesota Statutes, sections 256C.233 and 256C.25; Laws 1985, chapter 9, article 1; and Laws 1997, First Special Session chapter 5, section 20;

(17) living skills training programs for persons with intractable epilepsy who need assistance in the transition to independent living under Laws 1988, chapter 689;

(18) physical therapy services under sections 256B.0625, subdivision 8, and 256D.03, subdivision 4;

(19) occupational therapy services under sections 256B.0625, subdivision 8a, and 256D.03, subdivision 4;

(20) speech-language therapy services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0390;

(21) respiratory therapy services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0295;

(22) adult rehabilitative mental health services under section 256B.0623;

(23) children's therapeutic services and support services under section 256B.0943;

(24) tier I chemical health services under Minnesota Statutes, chapter 254B;

(25) consumer support grants under Minnesota Statutes, section 256.476;

(26) family support grants under Minnesota Statutes, section 252.32;

(27) grants for case management services to persons with HIV or AIDS under Minnesota Statutes, section 256.01, subdivision 19; and

(28) aging grants under Minnesota Statutes, sections 256.975 to 256.977, 256B.0917, and 256B.0928.

(c) For services funded through Minnesota disability health options, the rate increases under this section apply to all medical assistance payments, including former group residential housing supplementary rates under Minnesota Statutes, chapter 256I.

(d) The commissioner may recoup payments made under this section from a provider that does not comply with paragraphs (f) and (g).

(e) A managed care plan receiving state payments for the services in this section must include these increases in their payments to providers on a prospective basis, effective on January 1 following the effective date of the rate increase.

(f) Providers that receive a rate increase under this section shall use 75 percent of the additional revenue to increase compensation-related costs for employees directly employed by the program on or after the effective date of the rate adjustments, except:

- (1) the administrator;
- (2) persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider; and
- (3) persons paid by the provider under a management contract.

Compensation-related costs include: wages and salaries; FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation; and the employer's share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and pensions.

(g) Two-thirds of the money available under paragraph (f) must be used for wage increases for all employees directly employed by the provider on or after the effective date of the rate adjustments, except those listed in paragraph (f), clauses (1) to (3). The wage adjustment that employees receive under this paragraph must be paid as an equal hourly percentage wage increase for all eligible employees. All wage increases under this paragraph must be effective on the same date. This paragraph shall not apply to employees covered by a collective bargaining agreement.

(h) For public employees, the increase for wages and benefits for certain staff is available and pay rates must be increased only to the extent that they comply with laws governing public employees collective bargaining. Money received by a provider for pay increases under this section may be used only for increases implemented on or after the first day of the rate period in which the increase is available and must not be used for increases implemented prior to that date.

(i) The commissioner shall amend state grant contracts that include direct personnel-related grant expenditures to include the allocation for the portion of the contract that is employee compensation related. Grant contracts for compensation-related services must be amended to pass through these adjustments within 60 days of the effective date of the increase and must be retroactive to the effective date of the rate adjustment.

(j) The Board on Aging and its Area Agencies on Aging shall amend their grants that include direct personnel-related grant expenditures to include the rate adjustment for the portion of the grant

that is employee compensation related. Grants for compensation-related services must be amended to pass through these adjustments within 60 days of the effective date of the increase and must be retroactive to the effective date of the rate adjustment.

(k) The calendar year 2008 rate for vendors reimbursed under Minnesota Statutes, chapter 254B, shall be at least 2.0 percent above the rate in effect on January 1, 2007. The calendar year 2009 rate shall be at least 2.0 percent above the rate in effect on January 1, 2008.

(l) Providers that receive a rate adjustment under paragraph (a) that is subject to paragraphs (f) and (g) shall provide to the commissioner, and those counties with whom they have a contract, within six months after the effective date of each rate adjustment, a letter, in a format specified by the commissioner, that provides assurances that the provider has developed and implemented a compensation plan and complied with paragraphs (f) and (g). The provider shall keep on file, and produce for the commissioner or county upon request, its plan, which must specify:

(1) an estimate of the amounts of money that must be used as specified in paragraphs (f) and (g); and

(2) a detailed distribution plan specifying the allowable compensation-related and wage increases the provider will implement to use the funds available in clause (1).

(m) Within six months after the effective date of each rate adjustment, the provider shall post this plan, excluding the information required in paragraph (l), clause (1), for a period of at least six weeks in an area of the provider's operation to which all eligible employees have access and provide instructions for employees who believe they have not received the wage and other compensation-related increases specified in paragraph (l), clause (2). Instructions must include a mailing address, e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative. Providers shall also make assurances to the commissioner and counties with whom they have a contract that they have complied with the requirement in this paragraph.

Sec. 18. MORATORIUM EXCEPTION PROPOSAL; WAIVER.

The commissioner of health may waive the six-mile limit in Minnesota Statutes, section 144A.073, subdivision 5, paragraph (e), when considering a moratorium exception proposal submitted under Minnesota Statutes, section 144A.073, to allow a nursing facility providing specialty care in Minneapolis to close and relocate beds to a new facility in Robbinsdale under common ownership.

ARTICLE 16

CHILDREN AND FAMILY SERVICES

Section 1. Minnesota Statutes 2007 Supplement, section 256.741, subdivision 1, is amended to read:

Subdivision 1. ~~Public assistance~~ **Definitions.** (a) The term "direct support" as used in this chapter and chapters 257, 518, 518A, and 518C refers to an assigned support payment from an obligor which is paid directly to a recipient of ~~TANF or MFIP~~ public assistance.

(b) The term "public assistance" as used in this chapter and chapters 257, 518, 518A, and 518C,

includes any form of assistance provided under the AFDC program formerly codified in sections 256.72 to 256.87, MFIP and MFIP-R formerly codified under chapter 256, MFIP under chapter 256J, work first program formerly codified under chapter 256K; child care assistance provided through the child care fund under chapter 119B; any form of medical assistance under chapter 256B; MinnesotaCare under chapter 256L; and foster care as provided under title IV-E of the Social Security Act.

(c) The term "child support agency" as used in this section refers to the public authority responsible for child support enforcement.

(d) The term "public assistance agency" as used in this section refers to a public authority providing public assistance to an individual.

(e) The terms "child support" and "arrear" as used in this section have the meanings provided in section 518A.26.

(f) The term "maintenance" as used in this section has the meaning provided in section 518.003.

Sec. 2. Minnesota Statutes 2006, section 256.741, subdivision 2, is amended to read:

Subd. 2. **Assignment of support and maintenance rights.** (a) An individual receiving public assistance in the form of assistance under any of the following programs: the AFDC program formerly codified in sections 256.72 to 256.87, MFIP under chapter 256J, MFIP-R and MFIP formerly codified under chapter 256, or work first program formerly codified under chapter 256K is considered to have assigned to the state at the time of application all rights to child support and maintenance from any other person the applicant or recipient may have in the individual's own behalf or in the behalf of any other family member for whom application for public assistance is made. An assistance unit is ineligible for the Minnesota family investment program unless the caregiver assigns all rights to child support and spousal maintenance benefits according to this section.

(1) ~~An The assignment made according to this section is effective as to:~~

~~(i) any current child support and current spousal maintenance; and~~

~~(ii) any accrued child support and spousal maintenance arrears.~~

~~(2) An assignment made after September 30, 1997, is effective as to:~~

~~(i) any current child support and current spousal maintenance;~~

~~(ii) any accrued child support and spousal maintenance arrears collected before October 1, 2000, or the date the individual terminates assistance, whichever is later; and~~

~~(iii) any accrued child support and spousal maintenance arrears collected under federal tax intercept.~~

(2) Any child support or maintenance arrears that accrue while an individual is receiving public assistance in the form of assistance under any of the programs listed in this paragraph are permanently assigned to the state.

(3) The assignment of current child support and current maintenance ends on the date the

individual ceases to receive or is no longer eligible to receive public assistance under any of the programs listed in this paragraph.

(b) An individual receiving public assistance in the form of medical assistance, including MinnesotaCare, is considered to have assigned to the state at the time of application all rights to medical support from any other person the individual may have in the individual's own behalf or in the behalf of any other family member for whom medical assistance is provided.

(1) An assignment made after September 30, 1997, is effective as to any medical support accruing after the date of medical assistance or MinnesotaCare eligibility.

(2) Any medical support arrears that accrue while an individual is receiving public assistance in the form of medical assistance, including MinnesotaCare, are permanently assigned to the state.

(3) The assignment of current medical support ends on the date the individual ceases to receive or is no longer eligible to receive public assistance in the form of medical assistance or MinnesotaCare.

(c) An individual receiving public assistance in the form of child care assistance under the child care fund pursuant to chapter 119B is considered to have assigned to the state at the time of application all rights to child care support from any other person the individual may have in the individual's own behalf or in the behalf of any other family member for whom child care assistance is provided.

~~An (1) The assignment made according to this paragraph is effective as to:~~

~~(1) any current child care support and any child care support arrears assigned and accruing after July 1, 1997, that are collected before October 1, 2000; and~~

~~(2) any accrued child care support arrears collected under federal tax intercept. Any child care support arrears that accrue while an individual is receiving public assistance in the form of child care assistance under the child care fund in chapter 119B are permanently assigned to the state.~~

(3) The assignment of current child care support ends on the date the individual ceases to receive or is no longer eligible to receive public assistance in the form of child care assistance under the child care fund under chapter 119B.

Sec. 3. Minnesota Statutes 2006, section 256.741, subdivision 2a, is amended to read:

Subd. 2a. ~~Families first~~ **Distribution of child support arrearages.** (a) The state shall distribute current child support and maintenance received by the state to an individual who assigns the right to that support under subdivision 2, paragraph (a).

(b) When the public authority collects child support arrearages on behalf of an individual who is receiving public assistance provided under MFIP or MFIP-R under this chapter, MFIP under chapter 256J, or work first under chapter 256K, and the public authority has the option of applying the collection to arrears permanently assigned to the state or to arrears temporarily assigned to the state, the public authority shall first apply the collection to satisfy those arrears that are permanently assigned to the state.

(c) When the public authority collects child support arrearages on behalf of an individual who is not receiving public assistance, the public authority shall first apply the collection to satisfy those arrears that are not permanently assigned to the state.

(d) When the public authority collects child support arrearages certified under the federal tax offset, the public authority shall first apply the collection to satisfy those arrears that are permanently assigned to the state.

Sec. 4. Minnesota Statutes 2006, section 256.741, subdivision 3, is amended to read:

Subd. 3. **Existing assignments.** Assignments based on the receipt of public assistance in existence prior to July 1, 1997, are permanently assigned to the state. Arrears that accrued prior to the receipt of assistance that were assigned to the state between July 1, 1997, and October 1, 2009, must no longer be assigned as of October 1, 2009.

EFFECTIVE DATE. This section is effective October 1, 2009.

Sec. 5. Minnesota Statutes 2007 Supplement, section 256J.621, is amended to read:

256J.621 WORK PARTICIPATION BONUS CASH BENEFITS.

(a) Effective October 1, 2009, upon exiting the diversionary work program (DWP) or upon terminating MFIP cash assistance the Minnesota family investment program with earnings, a participant who is employed may be eligible for transitional assistance work participation cash benefits of \$75 per month to assist in meeting the family's basic needs as the participant continues to move toward self-sufficiency.

(b) To be eligible for ~~a transitional assistance payment~~ work participation cash benefits, the participant shall not receive MFIP ~~cash assistance~~ or diversionary work program assistance during the month and the participant or participants must meet the following work requirements:

(1) if the participant is a single caregiver and has a child under six years of age, the participant must be employed at least 87 hours per month;

(2) if the participant is a single caregiver and does not have a child under six years of age, the participant must be employed at least 130 hours per month; or

(3) if the household is a two-parent family, at least one of the parents must be employed an average of at least 130 hours per month.

Whenever a participant exits the diversionary work program or is terminated from MFIP ~~cash assistance~~ and meets the other criteria in this section, ~~transitional assistance is~~ work participation cash benefits are available for up to 24 consecutive months.

(c) Expenditures on the program are maintenance of effort state funds for participants under paragraph (b), clauses (1) and (2). Expenditures for participants under paragraph (b), clause (3), are nonmaintenance of effort funds. Months in which a participant receives ~~transitional assistance~~ work participation cash benefits under this section do not count toward the participant's MFIP 60-month time limit.

Sec. 6. Minnesota Statutes 2006, section 518A.50, is amended to read:

518A.50 PAYMENT TO PUBLIC AGENCY.

(a) This section applies to all proceedings involving a support order, including, but not limited to, a support order establishing an order for past support or reimbursement of public assistance.

(b) The court shall direct that all payments ordered for maintenance or support be made to the public authority responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support or maintenance collection services. Public authorities responsible for child support enforcement may act on behalf of other public authorities responsible for child support enforcement, including the authority to represent the legal interests of or execute documents on behalf of the other public authority in connection with the establishment, enforcement, and collection of child support, maintenance, or medical support, and collection on judgments.

(c) Payments made to the public authority ~~other than payments under section 518A.53~~ must be credited as of the date the payment is received by the central collections unit, except that payments made under section 518A.53 may be considered to have been paid as of the date the obligor received the remainder of the income.

(d) Monthly amounts received by the public agency responsible for child support enforcement from the obligor that are greater than the monthly amount of public assistance granted to the obligee must be remitted to the obligee.

EFFECTIVE DATE. This section is effective October 1, 2009.

Sec. 7. Minnesota Statutes 2006, section 518A.53, subdivision 5, is amended to read:

Subd. 5. **Payor of funds responsibilities.** (a) An order for or notice of withholding is binding on a payor of funds upon receipt. Withholding must begin no later than the first pay period that occurs after 14 days following the date of receipt of the order for or notice of withholding. In the case of a financial institution, preauthorized transfers must occur in accordance with a court-ordered payment schedule.

(b) A payor of funds shall withhold from the income payable to the obligor the amount specified in the order or notice of withholding and amounts specified under subdivisions 6 and 9 and shall remit the amounts withheld to the public authority within seven business days of the date the obligor is paid the remainder of the income. The payor of funds shall include with the remittance the Social Security number of the obligor, the case type indicator as provided by the public authority and the date the obligor is paid the remainder of the income. ~~The obligor is considered to have paid the amount withheld as of the date the obligor received the remainder of the income.~~ A payor of funds may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment.

(c) A payor of funds shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of wage or salary withholding authorized by this section. A payor of funds shall be liable to the obligee for any amounts required to be withheld. A payor of funds that fails to withhold or transfer funds in accordance with this section is also liable to the obligee for interest on the funds at the rate applicable to judgments under section 549.09, computed from the date the funds were required to be withheld or transferred. A payor of funds is liable for reasonable attorney fees of the obligee or public authority incurred in enforcing the liability under this paragraph. A payor of funds that has failed to comply with the requirements of this section is subject to contempt sanctions under section 518A.73. If the payor of funds is an employer or independent contractor and violates this subdivision, a court may award the obligor twice the wages lost as a result of this violation. If a court finds a payor of funds violated this subdivision, the court shall impose a civil fine of not less than \$500. The liabilities in this paragraph apply to intentional noncompliance with this section.

(d) If a single employee is subject to multiple withholding orders or multiple notices of withholding for the support of more than one child, the payor of funds shall comply with all of the orders or notices to the extent that the total amount withheld from the obligor's income does not exceed the limits imposed under the Consumer Credit Protection Act, United States Code, title 15, section 1673(b), giving priority to amounts designated in each order or notice as current support as follows:

(1) if the total of the amounts designated in the orders for or notices of withholding as current support exceeds the amount available for income withholding, the payor of funds shall allocate to each order or notice an amount for current support equal to the amount designated in that order or notice as current support, divided by the total of the amounts designated in the orders or notices as current support, multiplied by the amount of the income available for income withholding; and

(2) if the total of the amounts designated in the orders for or notices of withholding as current support does not exceed the amount available for income withholding, the payor of funds shall pay the amounts designated as current support, and shall allocate to each order or notice an amount for past due support, equal to the amount designated in that order or notice as past due support, divided by the total of the amounts designated in the orders or notices as past due support, multiplied by the amount of income remaining available for income withholding after the payment of current support.

(e) When an order for or notice of withholding is in effect and the obligor's employment is terminated, the obligor and the payor of funds shall notify the public authority of the termination within ten days of the termination date. The termination notice shall include the obligor's home address and the name and address of the obligor's new payor of funds, if known.

(f) A payor of funds may deduct one dollar from the obligor's remaining salary for each payment made pursuant to an order for or notice of withholding under this section to cover the expenses of withholding.

EFFECTIVE DATE. This section is effective October 1, 2009.

Sec. 8. **REPEALER.**

Minnesota Statutes 2006, section 256.741, subdivision 15, is repealed.

ARTICLE 17

HEALTH CARE

Section 1. **[62U.10] HEALTH CARE TRANSFER, SAVINGS, AND REPAYMENT.**

Subdivision 1. **Health Care Access Fund Transfer.** On June 30, 2009, the commissioner of finance shall transfer \$50,000,000 from the health care access fund to the general fund.

Subd. 2. **Projected spending baseline.** (a) By June 1, 2009, the commissioner of health shall calculate the annual projected total private and public health care spending for residents of this state and establish a health care spending baseline, beginning for calendar year 2008 and for the next ten years based on the annual projected growth in spending.

(b) In establishing the health care spending baseline, the commissioner shall use the Centers for Medicare and Medicaid Services forecast for total growth in national health care expenditures and adjust this forecast to reflect the demographics, health status, and other factors deemed

necessary by the commissioner. The commissioner shall contract with an actuarial consultant to make recommendations for the adjustments needed to specifically reflect projected spending for residents of this state.

(c) The commissioner may adjust the projected baseline as necessary to reflect any updated federal projections or account for unanticipated changes in federal policy.

(d) Medicare and long-term care spending must not be included in the calculations required under this section.

Subd. 3. **Actual spending and savings determination.** By June 1, 2010, and each June 1 thereafter until June 1, 2020, the commissioner of health shall determine the actual total private and public health care spending for residents of this state for the calendar year two years before the current calendar year, based on data collected under chapter 62J, and shall determine the difference between the projected spending, as determined under subdivision 2, and the actual spending for that year. The actual spending must be certified by an independent actuarial consultant. If the actual spending is less than the projected spending, the commissioner shall determine, based on the proportion of spending for state-administered health care programs to total private and public health care spending for the calendar year two years before the current calendar year, the percentage of the calculated aggregate savings amount accruing to state-administered health care programs.

Subd. 4. **Repayment of transfer.** When accumulated savings accruing to state-administered health care programs, as calculated under subdivision 3, meet or exceed \$50,000,000, the commissioner of health shall certify that event to the commissioner of finance. In the next fiscal year following the certification, the commissioner of finance shall transfer \$50,000,000 from the general fund to the health care access fund. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of finance.

Subd. 5. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Public health care spending" means spending for a state-administered health care program.

(c) "State-administered health care program" means medical assistance, MinnesotaCare, general assistance medical care, and the state employee group insurance program.

Sec. 2. [144.058] INTERPRETER SERVICES QUALITY INITIATIVE.

(a) The commissioner of health shall establish a voluntary statewide roster, and develop a plan for a registry and certification process for interpreters who provide high quality, spoken language health care interpreter services. The roster, registry, and certification process shall be based on the findings and recommendations set forth by the Interpreter Services Work Group required under Laws 2007, chapter 147, article 12, section 13.

(b) By January 1, 2009, the commissioner shall establish a roster of all available interpreters to address access concerns, particularly in rural areas.

(c) By January 15, 2010, the commissioner shall:

(1) develop a plan for a registry of spoken language health care interpreters, including:

(i) development of standards for registration that set forth educational requirements, training requirements, demonstration of language proficiency and interpreting skills, agreement to abide by

a code of ethics, and a criminal background check;

(ii) recommendations for appropriate alternate requirements in languages for which testing and training programs do not exist;

(iii) recommendations for appropriate fees; and

(iv) recommendations for establishing and maintaining the standards for inclusion in the registry; and

(2) develop a plan for implementing a certification process based on national testing and certification processes for spoken language interpreters 12 months after the establishment of a national certification process.

(d) The commissioner shall consult with the Interpreter Stakeholder Group of the Upper Midwest Translators and Interpreters Association for advice on the standards required to plan for the development of a registry and certification process.

(e) The commissioner shall charge an annual fee of \$50 to include an interpreter in the roster. Fee revenue shall be deposited in the state government special revenue fund.

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

Sec. 3. Minnesota Statutes 2007 Supplement, section 144E.45, subdivision 2, is amended to read:

Subd. 2. **Potential allocations.** (a) On November 1, annually, the board or the board's designee under section 144E.40, subdivision 2, shall determine the amount of the allocation of the prior year's accumulation to each qualified ambulance service person. The prior year's net investment gain or loss under paragraph (b) must be allocated and that year's general fund appropriation, plus any transfer from the Cooper/Sams volunteer ambulance account under section 144E.42, subdivision 2, and after deduction of administrative expenses, also must be allocated.

(b) The difference in the market value of the assets of the Cooper/Sams volunteer ambulance trust account as of the immediately previous June 30 and the June 30 occurring 12 months earlier must be reported on or before August 15 by the State Board of Investment. The market value gain or loss must be expressed as a percentage of the total potential award accumulations as of the immediately previous June 30, and that positive or negative percentage must be applied to increase or decrease the recorded potential award accumulation of each qualified ambulance service person.

(c) The appropriation for this purpose, after deduction of administrative expenses, must be divided by the total number of additional ambulance service personnel years of service recognized since the last allocation or 1,000 years of service, whichever is greater. If the allocation is based on the 1,000 years of service, any allocation not made for a qualified ambulance service person must be credited to the Cooper/Sams volunteer ambulance account under section 144E.42, subdivision 2. A qualified ambulance service person must be credited with a year of service if the person is certified by the chief administrative officer of the ambulance service as having rendered active ambulance service during the 12 months ending as of the immediately previous June 30. If the person has rendered prior active ambulance service, the person must be additionally credited with one-fifth of a year of service for each year of active ambulance service rendered before June 30, 1993, but not to exceed in any year one additional year of service or to exceed in total five years of

prior service. Prior active ambulance service means employment by or the provision of service to a licensed ambulance service before June 30, 1993, as determined by the person's current ambulance service based on records provided by the person that were contemporaneous to the service. The prior ambulance service must be reported on or before August 1 to the board in an affidavit from the chief administrative officer of the ambulance service.

(d) Effective July 1, 2008, notwithstanding paragraphs (a) to (c), the value of each service credit shall be \$447.19.

Sec. 4. Minnesota Statutes 2006, section 145.9255, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** To the extent funds are available for the purposes of this subdivision, the commissioner of health, in consultation with a representative from Minnesota planning, the commissioner of human services, and the commissioner of education, shall develop and implement the Minnesota education now and babies later (MN ENABL) program, targeted to adolescents ages 12 to 14, with the goal of reducing the incidence of adolescent pregnancy in the state and promoting abstinence until marriage. The program must provide a multifaceted, primary prevention, community health promotion approach to educating and supporting adolescents in the decision to postpone sexual involvement modeled after the ENABL program in California. The commissioner of health shall consult with the chief of the health education section of the California Department of Health Services for general guidance in developing and implementing the program.

Sec. 5. Minnesota Statutes 2006, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Operating payment rates.** In determining operating payment rates for admissions occurring on or after the rate year beginning January 1, 1991, and every two years after, or more frequently as determined by the commissioner, the commissioner shall obtain operating data from an updated base year and establish operating payment rates per admission for each hospital based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year. Rates under the general assistance medical care, medical assistance, and MinnesotaCare programs shall not be rebased to more current data on January 1, 1997, and January 1, 2005, and for the first 24 months of the rebased period beginning January 1, 2009. The base year operating payment rate per admission is standardized by the case mix index and adjusted by the hospital cost index, relative values, and disproportionate population adjustment. The cost and charge data used to establish operating rates shall only reflect inpatient services covered by medical assistance and shall not include property cost information and costs recognized in outlier payments.

Sec. 6. Minnesota Statutes 2006, section 256.969, subdivision 3a, is amended to read:

Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical assistance program must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments for inpatient hospitals that have individual patient lengths of stay over 30 days regardless of diagnostic category. Except as provided in section 256.9693, medical assistance reimbursement for treatment of mental illness shall be reimbursed based on diagnostic classifications. Individual hospital payments established under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third party and recipient liability, for discharges occurring during the rate year shall not exceed, in aggregate, the charges for the medical assistance covered inpatient services paid for the same period of time to the hospital. This payment limitation shall be calculated separately for medical assistance and general assistance medical care services. The limitation on general assistance medical care shall be effective for admissions occurring on or

after July 1, 1991. Services that have rates established under subdivision 11 or 12, must be limited separately from other services. After consulting with the affected hospitals, the commissioner may consider related hospitals one entity and may merge the payment rates while maintaining separate provider numbers. The operating and property base rates per admission or per day shall be derived from the best Medicare and claims data available when rates are established. The commissioner shall determine the best Medicare and claims data, taking into consideration variables of recency of the data, audit disposition, settlement status, and the ability to set rates in a timely manner. The commissioner shall notify hospitals of payment rates by December 1 of the year preceding the rate year. The rate setting data must reflect the admissions data used to establish relative values. Base year changes from 1981 to the base year established for the rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase under subdivision 1. The commissioner may adjust base year cost, relative value, and case mix index data to exclude the costs of services that have been discontinued by the October 1 of the year preceding the rate year or that are paid separately from inpatient services. Inpatient stays that encompass portions of two or more rate years shall have payments established based on payment rates in effect at the time of admission unless the date of admission preceded the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

(b) For fee-for-service admissions occurring on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for inpatient services is reduced by .5 percent from the current statutory rates.

(c) In addition to the reduction in paragraph (b), the total payment for fee-for-service admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432, and facilities defined under subdivision 16 are excluded from this paragraph.

(d) In addition to the reduction in paragraphs (b) and (c), the total payment for fee-for-service admissions occurring on or after July 1, 2005, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 6.0 percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical assistance does not include general assistance medical care. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2006, to reflect this reduction.

(e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 3.46 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2009, through June 30, 2009, to reflect this reduction.

(f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2010, made to

hospitals for inpatient services before third-party liability and spenddown, is reduced 1.9 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2009, through June 30, 2010, to reflect this reduction.

(g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2010, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.79 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2010, to reflect this reduction.

Sec. 7. Minnesota Statutes 2006, section 256B.0571, subdivision 8, is amended to read:

Subd. 8. Program established. (a) The commissioner, in cooperation with the commissioner of commerce, shall establish the Minnesota partnership for long-term care program to provide for the financing of long-term care through a combination of private insurance and medical assistance.

(b) An individual who meets the requirements in this paragraph is eligible to participate in the partnership program. The individual must:

(1) be a Minnesota resident at the time coverage first became effective under the partnership policy; and

(2) be a beneficiary of a partnership policy that (i) is issued on or after the effective date of the state plan amendment implementing the partnership program in Minnesota, or (ii) qualifies as a partnership policy under the provisions of subdivision 8a; and

~~(3) have exhausted all of the benefits under the partnership policy as described in this section. Benefits received under a long-term care insurance policy before July 1, 2006, do not count toward the exhaustion of benefits required in this subdivision.~~

Sec. 8. Minnesota Statutes 2006, section 256B.0571, subdivision 9, is amended to read:

Subd. 9. Medical assistance eligibility. (a) Upon application for medical assistance program payment of long-term care services by an individual who meets the requirements described in subdivision 8, the commissioner shall determine the individual's eligibility for medical assistance according to paragraphs (b) to (i).

(b) After determining assets subject to the asset limit under section 256B.056, subdivision 3 or 3c, or 256B.057, subdivision 9 or 10, the commissioner shall allow the individual to designate assets to be protected from recovery under subdivisions 13 and 15 up to the dollar amount of the benefits utilized under the partnership policy as of the effective date of eligibility for medical assistance program payment of long-term care services. Benefits utilized under a long-term care insurance policy before July 1, 2006, do not count for the purpose of determining the amount of assets that can be designated. Designated assets shall be disregarded for purposes of determining eligibility for payment of long-term care services. The dollar amount of benefits utilized must be equal to the amount of claims paid by the issuer under the policy as verified by the issuer.

(c) The individual shall identify the designated assets and the full fair market value of those

assets and designate them as assets to be protected at the time of ~~initial~~ application for medical assistance payment of long-term care services. The full fair market value of real property or interests in real property shall be based on the most recent full assessed value for property tax purposes for the real property, unless the individual provides a complete professional appraisal by a licensed appraiser to establish the full fair market value. The extent of a life estate in real property shall be determined using the life estate table in the health care program's manual. Ownership of any asset in joint tenancy shall be treated as ownership as tenants in common for purposes of its designation as a disregarded asset. The unprotected value of any protected asset is subject to estate recovery according to subdivisions 13 and 15.

(d) The right to designate assets to be protected is personal to the individual and ends when the individual dies, except as otherwise provided in subdivisions 13 and 15. It does not include the increase in the value of the protected asset and the income, dividends, or profits from the asset. It may be exercised by the individual or by anyone with the legal authority to do so on the individual's behalf. It shall not be sold, assigned, transferred, or given away.

~~(e) If the dollar amount of the benefits utilized under a partnership policy is greater than the full fair market value of all assets protected at the time of the application for medical assistance long-term care services, As the individual continues to utilize benefits under a partnership policy after eligibility for medical assistance payment of long-term care services begins, the individual may designate, for additional protection, an increase in the value of protected assets and additional assets that become available during the individual's lifetime for protection under this section up to the amount of additional benefits utilized. The individual must make the designation in writing to the county agency no later than the last date on which the individual must report a change in circumstances to the county agency, as provided for under the medical assistance program. Any excess used for this purpose shall not be available to the individual's estate to protect assets in the estate from recovery under section 256B.15 or 524.3-1202, or otherwise. The amount used for this purpose must reduce the unused amount of asset protection available to protect assets in the individual's estate from recovery under section 256B.15 or 524.3-1202, or otherwise.~~

(f) This section applies only to estate recovery under United States Code, title 42, section 1396p, subsections (a) and (b), and does not apply to recovery authorized by other provisions of federal law, including, but not limited to, recovery from trusts under United States Code, title 42, section 1396p, subsection (d)(4)(A) and (C), or to recovery from annuities, or similar legal instruments, subject to section 6012, subsections (a) and (b), of the Deficit Reduction Act of 2005, Public Law 109-171.

(g) An individual's protected assets owned by the individual's spouse who applies for payment of medical assistance long-term care services shall not be protected assets or disregarded for purposes of eligibility of the individual's spouse solely because they were protected assets of the individual.

(h) Assets designated under this subdivision shall not be subject to penalty under section 256B.0595.

(i) The commissioner shall otherwise determine the individual's eligibility for payment of long-term care services according to medical assistance eligibility requirements.

Sec. 9. Minnesota Statutes 2006, section 256B.0625, subdivision 13e, is amended to read:

Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee; the maximum allowable

cost set by the federal government or by the commissioner plus the fixed dispensing fee; or the usual and customary price charged to the public. The amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The pharmacy dispensing fee shall be \$3.65, except that the dispensing fee for intravenous solutions which must be compounded by the pharmacist shall be \$8 per bag, \$14 per bag for cancer chemotherapy products, and \$30 per bag for total parenteral nutritional products dispensed in one liter quantities, or \$44 per bag for total parenteral nutritional products dispensed in quantities greater than one liter. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Effective July 1, 2008, the actual acquisition cost of a drug shall be estimated by the commissioner, at average wholesale price minus ~~12~~ 14 percent. The actual acquisition cost of antihemophilic factor drugs shall be estimated at the average wholesale price minus 30 percent. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third-party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.

(b) An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(c) Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, or on the maximum allowable cost established by the commissioner.

(d) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider or the amount established for Medicare by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act.

(e) The commissioner may negotiate lower reimbursement rates for specialty pharmacy products than the rates specified in paragraph (a). The commissioner may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology

drugs, high-cost therapies, and therapies that require complex care. The commissioner shall consult with the formulary committee to develop a list of specialty pharmacy products subject to this paragraph. In consulting with the formulary committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the reimbursement rate to prevent access to care issues.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 10. Minnesota Statutes 2007 Supplement, section 256B.0631, subdivision 1, is amended to read:

Subdivision 1. **Co-payments.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following co-payments for all recipients, effective for services provided on or after October 1, 2003, and before January 1, 2009:

(1) \$3 per nonpreventive visit. For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) \$3 for eyeglasses;

(3) \$6 for nonemergency visits to a hospital-based emergency room; and

(4) \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject to a \$12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness.

(b) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following co-payments for all recipients, effective for services provided on or after January 1, 2009:

(1) \$6 for nonemergency visits to a hospital-based emergency room; ~~and~~

(2) \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject to a \$7 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness; and

(3) for individuals identified by the commissioner with income at or below 100 percent of the federal poverty guidelines, total monthly co-payments must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on co-payments.

(c) Recipients of medical assistance are responsible for all co-payments in this subdivision.

Sec. 11. Minnesota Statutes 2007 Supplement, section 256B.0631, subdivision 3, is amended to read:

Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be reduced by the amount of the co-payment, except that ~~reimbursement for prescription drugs~~ reimbursements shall not be reduced;

(1) once a recipient has reached the \$12 per month maximum or the \$7 per month maximum effective January 1, 2009, for prescription drug co-payments; or

(2) for a recipient identified by the commissioner under 100 percent of the federal poverty guidelines who has met their monthly five percent co-payment limit.

(b) The provider collects the co-payment from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment.

(c) Medical assistance reimbursement to fee-for-service providers and payments to managed care plans shall not be increased as a result of the removal of the co-payments effective January 1, 2009.

Sec. 12. [256B.194] FEDERAL PAYMENTS.

The commissioner may require medical assistance and MinnesotaCare providers to provide any information necessary to determine Medicaid-related costs, and require the cooperation of providers in any audit or review necessary to ensure payments are limited to cost. This section does not apply to providers who are exempt from the provisions of the CMS final rule, published May 29, 2007, at Federal Register, Vol. 72, No. 100, governing payments to providers that are units of government. This section becomes effective when the CMS final rule goes into effect at the end of the moratorium imposed by Congress.

Sec. 13. Minnesota Statutes 2006, section 256B.32, subdivision 1, is amended to read:

Subdivision 1. Facility fee for hospital emergency room and clinic visit. (a) The commissioner shall establish a facility fee payment mechanism that will pay a facility fee to all enrolled outpatient hospitals for each emergency room or outpatient clinic visit provided on or after July 1, 1989. This payment mechanism may not result in an overall increase in outpatient payment rates. This section does not apply to federally mandated maximum payment limits, department-approved program packages, or services billed using a nonoutpatient hospital provider number.

(b) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rates.

(c) In addition to the reduction in paragraph (b), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(d) In addition to the reductions in paragraphs (b) and (c), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

Sec. 14. Minnesota Statutes 2006, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. Managed care contracts. (a) Managed care contracts under this section and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year basis beginning January

1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B, 256D, and 256L, established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(d)(1) Effective for services rendered on or after January 1, 2009, the commissioner shall withhold three percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(2) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph. The return of the withhold under this paragraph is not subject to the requirements of paragraph (c).

Sec. 15. Minnesota Statutes 2006, section 256B.75, is amended to read:

256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Effective for services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation

resulting from rates that are in excess of the Medicare upper limitations.

(b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (10), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program.

(c) Effective for services provided on or after July 1, 2003, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The commissioner shall provide a proposal to the 2003 legislature to define and implement this provision.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(f) In addition to the reductions in paragraphs (d) and (e), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

ARTICLE 18

HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations by fund made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ (46,789,000)	\$ (124,196,000)	\$ (170,985,000)
<u>State Government Special Revenue</u>	114,000	667,000	781,000
<u>Health Care Access</u>	-0-	(770,000)	(770,000)
<u>Federal TANF</u>	29,919,000	56,356,000	86,275,000
<u>Total</u>	\$ (16,756,000)	\$ (67,943,000)	\$ (84,699,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 147, or other law to the

agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition or subtraction from appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Supplemental appropriations and reductions for the fiscal year ending June 30, 2008, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2008</u>	<u>2009</u>
Sec. 3. <u>HUMAN SERVICES</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$ (16,870,000)</u>	<u>\$ (64,480,000)</u>
<u>Appropriations by Fund</u>		
	<u>2008</u>	<u>2009</u>
<u>General</u>	(46,789,000)	(120,066,000)
<u>Health Care Access</u>	-0-	(770,000)
<u>Federal TANF</u>	29,919,000	56,356,000

The appropriation additions or reductions for each purpose are shown in the following subdivisions.

Additional Working Family Credit Expenditures to be Claimed for TANF/MOE.
In addition to the transfer under prior law, the commissioner may count the following amounts of working family credit expenditure as TANF/MOE:

- (1) \$21,085,000 in fiscal year 2008;
- (2) \$48,408,000 in fiscal year 2009;
- (3) (\$468,000) in fiscal year 2010; and
- (4) (\$19,000) in fiscal year 2011.

Notwithstanding any contrary provision in this article, this rider expires June 30, 2011.

Subd. 2. Agency Management

Financial Operations -0- (5,867,000)

Transfer from Special Revenue Fund.

\$1,098,000 of the amount transferred into the special revenue fund from nongrant operating balances of general fund appropriations carried forward under Laws 2007, chapter 147, article 19, section 20, must be transferred to the general fund by June 30, 2009.

Base Adjustment. The general fund base is increased \$23,000 in fiscal year 2010 and \$26,000 in fiscal year 2011.

Subd. 3. Revenue and Pass-Through Revenue Expenditures

Federal TANF -0- 950,000

TANF Transfer to Federal Child Care and Development Fund. The following TANF fund amounts are appropriated to the commissioner for the purposes of MFIP and transition year child care under Minnesota Statutes, section 119B.05:

(1) fiscal year 2009, \$950,000; and

(2) fiscal year 2010, \$1,085,000.

The commissioner shall authorize the transfer of sufficient TANF funds to the federal child care and development fund to meet this appropriation and shall ensure that all transferred funds are expended according to federal child care and development fund regulations.

Subd. 4. Children and Economic Assistance Grants

(a) MFIP/DWP Grants

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>(29,919,000)</u>	<u>(50,060,000)</u>
<u>Federal TANF</u>	<u>29,919,000</u>	<u>47,946,000</u>

These appropriation adjustments replace the appropriation adjustments in Laws 2008,

chapter 232.

(b) Support Services Grants; TANF

-0-

7,100,000

Supported Work. (1) Of the TANF appropriation, \$7,100,000 in fiscal year 2009 is for supported work for MFIP participants, to be allocated to counties and tribes based on the criteria under clauses (1) and (2) and is available until expended. This appropriation shall become part of base level funding to the commissioner for the biennium beginning July 1, 2009. Paid transitional work experience and other supported employment under this clause shall provide a continuum of employment assistance, including outreach and recruitment, program orientation and intake, testing and assessment, job development and marketing, preworksite training, supported worksite experience, job coaching, and postplacement follow-up, in addition to extensive case management and referral services. The base for this program shall be \$7,100,000 in fiscal year 2010 and zero in fiscal year 2011.

(2) A county or tribe is eligible to receive an allocation under clause (1) if:

(i) the county or tribe is not meeting the federal work participation rate;

(ii) the county or tribe has participants who are required to perform work activities under Minnesota Statutes, chapter 256J, but are not meeting hourly work requirements; and

(iii) the county or tribe has assessed participants who have completed six weeks of job search or are required to perform work activities and are not meeting the hourly requirements, and the county or tribe has determined that the participant would benefit from working in a supported work environment.

(3) A county or tribe may also be eligible for funds in order to contract for supplemental hours of paid work at the participant's child's

place of education, child care location, or the child's physical or mental health treatment facility or office. Grants to counties and tribes under this clause are specifically for MFIP participants who need to work up to five hours more per week in order to meet the hourly work requirement, and the participant's employer cannot or will not offer more hours to the participant.

(c) Basic Sliding Fee Child Care Assistance Grants -0- (9,227,000)

Child Care and Development Fund Unexpended Balance. In addition to the amount provided in this section, the commissioner shall expend \$9,227,000 in fiscal year 2009 from the federal child care and development fund unexpended balance for basic sliding fee child care under Minnesota Statutes, section 119B.03. The commissioner shall ensure that all child care and development funds are expended according to the federal child care and development fund regulations.

Base Adjustment. The general fund base is increased by \$9,444,000 in fiscal year 2010 and \$9,227,000 in fiscal year 2011.

(d) Child Care Development Grants -0- (360,000)

Grants Reduction. Effective July 1, 2008, base level funding for nonforecast, general fund child care development grants issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

Prekindergarten Exploratory Projects. Of this appropriation reduction, \$250,000 in fiscal year 2009 is from the general fund appropriation for prekindergarten exploratory projects in Laws 2007, chapter 147, article 19, section 3, subdivision 4, paragraph (e).

Base Adjustment. Of the general fund reduction, \$328,000 is onetime.

(e) Children's Services Grants (311,000) (1,898,000)

Base Adjustment. The general fund base is increased by \$1,688,000 in each year of the fiscal year 2010 and 2011 biennium.

Funding Usage. Up to 75 percent of the fiscal year 2010 appropriation for children's mental health screening grants may be used to fund calendar year 2009 allocations for these programs, with the resulting calendar year funding pattern continuing into the future.

Grants Reduction. Effective July 1, 2008, base level funding for nonforecast, general fund children's services grants issued under this paragraph, excluding children's mental health grants, adoption assistance grants, and relative custody assistance grants, shall be reduced by 1.8 percent at the allotment level.

<u>(f) Children and Community Services Grants</u>	<u>-0-</u>	<u>(1,345,000)</u>
--	------------	--------------------

Base Adjustment. The general fund base is decreased by \$98,000 in each year of the fiscal year 2010 and 2011 biennium.

Grants Reduction. Effective July 1, 2008, base level funding for nonforecast, general fund children and community services grants issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

<u>(g) Minnesota Supplemental Aid Grants</u>	<u>-0-</u>	<u>201,000</u>
---	------------	----------------

<u>(h) Group Residential Housing Grants</u>	<u>-0-</u>	<u>(133,000)</u>
--	------------	------------------

(i) Other Children's and Economic Assistance Grants

<u>Appropriations by Fund</u>		
<u>General</u>	<u>-0-</u>	<u>352,000</u>
<u>Federal TANF</u>	<u>-0-</u>	<u>360,000</u>

Grants Reduction. Effective July 1, 2008, base level funding for nonforecast, general fund other children's and economic assistance grants issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

The base for grants impacted by this reduction

shall increase by \$4,000 in fiscal year 2010 and \$14,000 in fiscal year 2011.

Foodshelf Programs. Of the general fund appropriation, \$500,000 in fiscal year 2009 is for foodshelf programs under Minnesota Statutes, section 256E.34. This is a onetime appropriation and is available until expended.

Long-Term Homeless Supportive Services. \$145,000 from the general fund and \$360,000 from TANF in fiscal year 2009 is for the long-term homeless supportive services fund under Minnesota Statutes, section 256K.26. This is a onetime appropriation and is available until expended.

Subd. 5. **Basic Health Care Grants**

(a) **MinnesotaCare Grants**

Health Care Access

-0-

(770,000)

Incentive Program and Outreach Grants. Of the appropriation for the Minnesota health care outreach program in Laws 2007, chapter 147, article 19, section 3, subdivision 7, paragraph (b):

(1) \$400,000 in fiscal year 2009 from the general fund and \$200,000 in fiscal year 2009 from the health care access fund are for the incentive program under Minnesota Statutes, section 256.962, subdivision 5. For the biennium beginning July 1, 2009, base level funding for this activity shall be \$360,000 from the general fund and \$160,000 from the health care access fund; and

(2) \$100,000 in fiscal year 2009 from the general fund and \$50,000 in fiscal year 2009 from the health care access fund are for the outreach grants under Minnesota Statutes, section 256.962, subdivision 2. For the biennium beginning July 1, 2009, base level funding for this activity shall be \$90,000 from the general fund and \$40,000 from the health care access fund.

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

-0-

(17,280,000)

Third-Party Liability. (a) During fiscal year 2009, the commissioner shall employ a contractor paid on a percentage basis to improve third-party collections. Improvement initiatives may include, but not be limited to, efforts to improve postpayment collection from nonresponsive claims and efforts to uncover third-party payers the commissioner has been unable to identify.

(b) In fiscal year 2009, the first \$1,098,000 of recoveries, after contract payments and federal repayments, is appropriated to the commissioner for technology-related expenses.

Administrative Costs. (a) For contracts effective on or after January 1, 2009, the commissioner shall limit aggregate administrative costs paid to managed care plans under Minnesota Statutes, section 256B.69, and to county-based purchasing plans under Minnesota Statutes, section 256B.692, to an overall average of 6.6 percent of total contract payments under Minnesota Statutes, sections 256B.69 and 256B.692, for each calendar year. For purposes of this paragraph, administrative costs do not include premium taxes paid under Minnesota Statutes, section 297I.05, subdivision 5, and provider surcharges paid under Minnesota Statutes, section 256.9657, subdivision 3.

(b) Notwithstanding any law to the contrary, the commissioner may reduce or eliminate administrative requirements to meet the administrative target under paragraph (a).

(c) Notwithstanding any contrary provision of this article, this rider shall not expire.

Hospital Payment Delay. Notwithstanding Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 6, payments from the Medicaid Management Information System that would otherwise have been made

for inpatient hospital services for medical assistance enrollees are delayed as follows: (1) for fiscal year 2008, June payments must be included in the first payments in fiscal year 2009; and (2) for fiscal year 2009, June payments must be included in the first payment of fiscal year 2010. The provisions of Minnesota Statutes, section 16A.124, do not apply to these delayed payments. Notwithstanding any contrary provision in this article, this paragraph expires on June 30, 2010.

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

(14,028,000)

(9,368,000)

Minnesota Disability Health Options Rate Setting Methodology. The commissioner shall develop and implement a methodology for risk adjusting payments for community alternatives for disabled individuals (CADI) and traumatic brain injury (TBI) home and community-based waiver services delivered under the Minnesota disability health options program (MnDHO) effective January 1, 2009. The commissioner shall take into account the weighting system used to determine county waiver allocations in developing the new payment methodology. Growth in the number of enrollees receiving CADI or TBI waiver payments through MnDHO is limited to an increase of 200 enrollees in each calendar year from January 2009 through December 2011. If those limits are reached, additional members may be enrolled in MnDHO for basic care services only as defined under Minnesota Statutes, section 256B.69, subdivision 28, and the commissioner may establish a waiting list for future access of MnDHO members to those waiver services.

MA Basic Elderly and Disabled Adjustments. For the fiscal year ending June 30, 2009, the commissioner may adjust the rates for each service affected by rate changes under this section in such a manner across the fiscal year to achieve the necessary cost savings

and minimize disruption to service providers, notwithstanding the requirements of Laws 2007, chapter 147, article 7, section 71.

<u>(d) General Assistance Medical Care Grants</u>	<u>-0-</u>	<u>(6,971,000)</u>
<u>(e) Other Health Care Grants</u>	<u>-0-</u>	<u>(17,000)</u>

MinnesotaCare Outreach Grants Special Revenue Account. The balance in the MinnesotaCare outreach grants special revenue account on July 1, 2009, estimated to be \$900,000, must be transferred to the general fund.

Grants Reduction. Effective July 1, 2008, base level funding for nonforecast, general fund health care grants issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

Subd. 6. Continuing Care Grants

<u>(a) Aging and Adult Services Grants</u>	<u>-0-</u>	<u>(337,000)</u>
---	------------	------------------

Base Adjustment. The general fund base is increased by \$71,000 in fiscal year 2010 and \$70,000 in fiscal year 2011.

Grants Reduction. Effective July 1, 2008, base level funding for nonforecast, general fund aging and adult services state grants issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

Aging and Adult Services Adjustments. For the fiscal year ending June 30, 2009, the commissioner may allocate each grant affected by rate changes under this section in such a manner across the fiscal year to achieve the necessary cost savings and minimize disruption to grantees. To implement this paragraph, the commissioner may waive the requirements of Laws 2007, chapter 147, article 7, section 71, including the employee compensation-related cost requirements.

Living-At-Home/Block Nurse Program Funding. Notwithstanding the provisions

of Minnesota Statutes, section 256B.0917, subdivision 8, for the fiscal year beginning July 1, 2008, the commissioner of human services shall transfer \$240,000 from the community service grant program under Minnesota Statutes, section 256B.0917, subdivision 13, to the living-at-home/block nurse program under Minnesota Statutes, section 256B.0917, subdivision 8, to provide \$20,000 each for 12 living-at-home/block nurse programs currently operating without base funding. This is onetime funding.

<u>(b) Alternative Care Grants</u>	<u>-0-</u>	<u>(198,000)</u>
---	------------	------------------

This reduction is onetime.

<u>(c) MA Long-Term Care Facilities Grants</u>	<u>(2,306,000)</u>	<u>3,045,000</u>
---	--------------------	------------------

Nursing Facility Rate Increase. (a) For the rate year beginning October 1, 2008, the commissioner shall make available to each nursing facility reimbursed under Minnesota Statutes, section 256B.434, operating payment rate adjustments equal to 1.00 percent of the operating payment rates determined by the blending in Minnesota Statutes, section 256B.441, subdivision 55, paragraph (a).

(b) Seventy-five percent of the money resulting from the rate adjustment under paragraph (a) must be used for increases in compensation-related costs for employees directly employed by the nursing facility on or after the effective date of the rate adjustment, except:

(1) the administrator;

(2) persons employed in the central office of a corporation that has an ownership interest in the nursing facility or exercises control over the nursing facility; and

(3) persons paid by the nursing facility under a management contract.

(c) Two-thirds of the money available under paragraph (b) must be used for wage increases

for all employees directly employed by the nursing facility on or after the effective date of the rate adjustment, except those listed in paragraph (b), clauses (1) to (3). The wage adjustment that employees receive under this paragraph must be paid as an equal hourly percentage wage increase for all eligible employees. All wage increases under this paragraph must be effective on the same date. Only costs associated with the portion of the equal hourly percentage wage increase that goes to all employees shall qualify under this paragraph. Costs associated with wage increases in excess of the amount of the equal hourly percentage wage increase provided to all employees shall be allowed only for meeting the requirements in paragraph (b). This paragraph shall not apply to employees covered by a collective bargaining agreement.

(d) The commissioner shall allow as compensation-related costs all costs for:

(1) wages and salaries;

(2) FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation;

(3) the employer's share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and pensions; and

(4) other benefits provided, subject to the approval of the commissioner.

(e) The portion of the rate adjustment under paragraph (a) that is not subject to the requirements in paragraphs (b) and (c) shall be provided to nursing facilities effective October 1, 2008.

(f) Nursing facilities may apply for the portion of the rate adjustment under paragraph (a) that is subject to the requirements in paragraphs (b) and (c). The application must be submitted to the commissioner within six months of the effective date of the rate adjustment, and the nursing facility must provide additional

information required by the commissioner within nine months of the effective date of the rate adjustment. The commissioner must respond to all applications within three weeks of receipt. The commissioner may waive the deadlines in this paragraph under extraordinary circumstances, to be determined at the sole discretion of the commissioner. The application must contain:

(1) an estimate of the amounts of money that must be used as specified in paragraphs (b) and (c);

(2) a detailed distribution plan specifying the allowable compensation-related and wage increases the nursing facility will implement to use the funds available in clause (1);

(3) a description of how the nursing facility will notify eligible employees of the contents of the approved application, which must provide for giving each eligible employee a copy of the approved application, excluding the information required in clause (1), or posting a copy of the approved application, excluding the information required in clause (1), for a period of at least six weeks in an area of the nursing facility to which all eligible employees have access; and

(4) instructions for employees who believe they have not received the compensation-related or wage increases specified in clause (2), as approved by the commissioner, and which must include a mailing address, e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative.

(g) The commissioner shall ensure that cost increases in distribution plans under paragraph (f), clause (2), that may be included in approved applications, comply with the following requirements:

(1) costs to be incurred during the applicable rate year resulting from wage and salary

increases effective after October 1, 2007, and prior to the first day of the nursing facility's payroll period that includes October 1, 2008, shall be allowed if they were not used in the prior year's application;

(2) a portion of the costs resulting from tenure-related wage or salary increases may be considered to be allowable wage increases, according to formulas that the commissioner shall provide, where employee retention is above the average statewide rate of retention of direct care employees;

(3) the annualized amount of increases in costs for the employer's share of health and dental insurance, life insurance, disability insurance, and workers' compensation shall be allowable compensation-related increases if they are effective on or after April 1, 2008, and prior to April 1, 2009; and

(4) for nursing facilities in which employees are represented by an exclusive bargaining representative, the commissioner shall approve the application only upon receipt of a letter of acceptance of the distribution plan, in regard to members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2008. Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this rider as having been met in regard to the members of the bargaining unit.

(h) The commissioner shall review applications received under paragraph (f) and shall provide the portion of the rate adjustment under paragraphs (b) and (c) if the requirements of this rider have been met. The rate adjustment shall be effective October 1, 2008. Notwithstanding paragraph (a), if the approved application distributes less money than is available, the amount of the rate adjustment shall be reduced so that the amount of money made available is equal to the amount to be distributed.

(i) Of the general fund appropriation,

\$2,877,000 in fiscal year 2009 is for the purposes of paragraphs (a) to (h).

(j) Notwithstanding any contrary provision of this article, this rider shall not expire.

Nursing Facility Temporary Rate Adjustment.

(a) Of the general fund appropriation, \$2,877,000 for fiscal year 2009 is to make available to nursing facilities reimbursed under Minnesota Statutes, section 256B.434, for the rate year beginning October 1, 2008, a temporary rate adjustment equal to 1.0 percent of the operating payment rates determined by the blending in Minnesota Statutes, section 256B.441, subdivision 55, paragraph (a). This rate adjustment shall be removed from the facility's operating payment rate for the rate year beginning October 1, 2009.

(b) Seventy-five percent of the money resulting from the rate adjustment under paragraph (a) must be used to provide quarterly bonus payments, and to pay for associated employer costs and other benefits as specified in Minnesota Statutes, section 256B.434, subdivision 19, paragraph (d), clauses (2) to (4), for all employees directly employed by the nursing facility on December 31, 2008; March 31, 2009; June 30, 2009; and September 30, 2009, except:

(1) the administrator;

(2) persons employed in the central office of a corporation that has an ownership interest in the nursing facility or exercises control over the nursing facility; and

(3) persons paid by the nursing facility under a management contract.

(c) Two-thirds of the money available under paragraph (b) must be used for an equal hourly percentage wage bonus for all eligible employees.

(d) Nursing facilities may apply for the portion of the rate adjustment subject to

paragraphs (b) and (c), and the commissioner shall review and act on applications, according to the procedures specified in Minnesota Statutes, section 256B.434, subdivision 19. The portion of the rate adjustment under paragraph (a) that is not subject to the requirements in paragraphs (b) and (c) shall be provided to nursing facilities effective October 1, 2008.

(e) Notwithstanding any contrary provision in this article, this rider expires December 31, 2009.

(d) MA Long-Term Care Waivers and Home Care Grants

-0- (10,643,000)

Manage Growth in TBI and CADI Waiver.
During the fiscal years beginning on July 1, 2008, July 1, 2009, and July 1, 2010, the commissioner shall allocate money for home and community-based programs covered under Minnesota Statutes, section 256B.49, to ensure a reduction in state spending that is equivalent to limiting the caseload growth of the traumatic brain injury (TBI) waiver to 200 allocations in each year of the biennium and the community alternatives for disabled individuals (CADI) waiver to 1,500 allocations each year of the biennium. Priorities for the allocation of funds must be for individuals anticipated to be discharged from institutional settings or who are at imminent risk of a placement in an institutional setting. Notwithstanding any contrary section in this article, this provision expires June 30, 2011.

(e) Mental Health Grants

-0- (4,823,000)

Base Adjustment. This reduction is onetime.

Funding Usage. Up to 75 percent of the fiscal year 2010 appropriation for adult mental health grants may be used to fund calendar year 2009 allocations for these programs, with the resulting calendar year funding pattern continuing into the future.

<u>(f) Chemical Dependency Entitlement Grants</u>	<u>-0-</u>	<u>(2,069,000)</u>
--	------------	--------------------

Payments for Substance Abuse Treatment.

For services provided in fiscal year 2009, county-negotiated rates and provider claims to the consolidated chemical dependency fund must not exceed rates charged for services in excess of those in effect on May 31, 2008. If statutes authorize a cost-of-living adjustment during fiscal year 2009, then notwithstanding any law to the contrary, fiscal year 2009 rates may not exceed those in effect on May 31, 2008, plus any authorized cost-of-living adjustments.

Chemical Dependency Treatment Fund Special Revenue Account.

The lesser of the balance of the consolidated chemical dependency treatment fund at the close of the fiscal year 2008, or \$2,784,000 must be transferred and deposited into the general fund by September 1, 2008. The lesser of the balance of the consolidated chemical dependency treatment fund at the close of the fiscal year 2009, or \$2,009,000 must be transferred and deposited into the general fund by September 1, 2009.

<u>(g) Chemical Dependency Nonentitlement Grants</u>	<u>-0-</u>	<u>1,967,000</u>
---	------------	------------------

Base Level Adjustment. The general fund base for chemical dependency nonentitlement treatment grants must be reduced by \$1,686,000 for fiscal year 2010 and by \$1,686,000 for fiscal year 2011.

White Earth treatment facility. \$2,000,000 is appropriated from the general fund to the commissioner of human services for a grant to the White Earth tribe to purchase or develop one or more culturally specific treatment programs or capital facilities, or both, designed to serve youth from native cultures. This appropriation is onetime and is available until spent.

Grants Reduction. Effective July 1, 2008, base level funding for nonforecast, general fund chemical dependency nonentitlement grants

issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

(h) Other Continuing Care Grants

-0- (4,729,000)

Base Level Adjustment. The general fund base is increased by \$7,283,000 in fiscal year 2010 and \$4,921,000 in fiscal year 2011.

Housing Access Grants. Of the general fund appropriation, \$250,000 is appropriated in fiscal year 2009 for housing access grants under Minnesota Statutes, section 256B.0658.

Funding Usage. Up to 75 percent of the fiscal year 2010 appropriation for semi-independent living services grants and family support grants may be used to fund calendar year 2009 allocations for these programs, with the resulting calendar year funding pattern continuing into the future.

Grants Reduction. Effective July 1, 2008, base level funding for nonforecast, general fund other continuing care grants issued under this paragraph, except for HIV grants, shall be reduced by 1.8 percent at the allotment level. HIV grants shall be reduced by 1.7 percent at the allotment level effective July 1, 2009.

Other Continuing Care Grant Adjustments. For the fiscal year ending June 30, 2009, the commissioner may allocate each grant affected by rate changes under this section in such a manner across the fiscal year to achieve the necessary cost savings and minimize disruption to grantees. To implement this paragraph, the commissioner may waive the requirements of Laws 2007, chapter 147, article 7, section 71, including the employee compensation-related cost requirements.

Subd. 7. State-Operated Services

County Past Due Receivables. The commissioner is authorized to withhold county federal administrative reimbursement when the county of financial responsibility

for cost-of-care payments due to the state under Minnesota Statutes, section 246.54 or 253B.045, is 90 days past due. The commissioner shall deposit the withheld federal administrative earnings for the county into the general fund to settle the claims with the county of financial responsibility. The process for withholding funds is governed by Minnesota Statutes, section 256.017.

Internet-Based Resource. Notwithstanding Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 10, base level funding for the fiscal year beginning July 1, 2008, is zero for the evidence-based practice for the treatment of methamphetamine abuse at the state-operated services chemical dependency program at Willmar. The Internet-based resource developed as part of the evidence-based practice must be maintained by the commissioner.

Community Behavioral Health Hospitals. Under Minnesota Statutes, section 246.51, subdivision 1, a determination order for clients in the community behavioral hospital operated by the commissioner is only required when a client's third-party mental health coverage has been exhausted.

<u>(a) Mental Health Services</u>	<u>(225,000)</u>	<u>(300,000)</u>
<u>(b) Minnesota Sex Offender Services</u>	<u>-0-</u>	<u>-0-</u>

Sex Offender Program. Base level funding for the Minnesota sex offender program under Minnesota Statutes, chapter 246B, is reduced by \$2,329,000 for fiscal years beginning on or after July 1, 2009. This reduction does not apply to the portion of the per diem related to professional treatment service costs.

Sec. 4. COMMISSIONER OF HEALTH

<u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u>	\$	<u>(3,663,000)</u>
---	----	------------	----	--------------------

Appropriations by Fund

2008

2009

<u>General</u>	<u>-0-</u>	<u>(4,130,000)</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>-0-</u>	<u>467,000</u>

The appropriation additions or reductions for each purpose are shown in the following subdivisions.

<u>Subd. 2. Community and Family Health Promotion</u>	<u>-0-</u>	<u>(843,000)</u>
--	------------	------------------

Minnesota ENABL Program. Notwithstanding Laws 2007, chapter 147, article 19, section 4, subdivision 2, base level funding for the Minnesota ENABL program under Minnesota Statutes, section 145.9255, for the fiscal year beginning July 1, 2008, is zero.

Grants Reduction. Effective July 1, 2008, base level funding for general fund community and family health grants issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

Subd. 3. Policy, Quality, and Compliance

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>-0-</u>	<u>(2,070,000)</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>-0-</u>	<u>32,000</u>

Grants Reduction. Effective July 1, 2008, base level funding for general fund policy, quality, and compliance grants issued under this paragraph, excluding medical education and research costs transition funding grants to the Mayo Clinic, shall be reduced by 1.8 percent at the allotment level.

Interpreter Services Quality Initiative. Of the state government special revenue fund appropriation, \$32,000 in fiscal year 2009 is for the interpreter services quality initiative under Minnesota Statutes, section 144.058.

MERC Federal Compliance. Notwithstanding Laws 2007, chapter 147, article 19, section 4, subdivision 3, the general fund appropriation

in fiscal year 2009 for the commissioner to distribute to the Mayo Clinic for the purpose of providing transition funding while federal compliance changes are made to the medical education and research cost funding distribution formula in Minnesota Statutes, section 62J.692, shall be \$4,250,000. Base level funding for this activity for fiscal years 2010 and 2011 shall be \$1,000,000 each year. This funding shall not become part of the base in 2012 and 2013. Notwithstanding any contrary provision of this article, this rider expires on June 30, 2012.

Base Adjustment. The state government special revenue base is decreased by \$11,000 in both fiscal years 2010 and 2011.

Subd. 4. Health Protection

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>-0-</u>	<u>(40,000)</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>-0-</u>	<u>435,000</u>

Grants Reduction. Effective July 1, 2008, base level funding for general fund health protection grants issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

Inspection Delegation. \$435,000 from the state government special revenue fund in fiscal year 2009 is for the St. Louis County inspection delegation. The base funding for this appropriation shall increase by \$89,000 in each of fiscal years 2010 and 2011.

Subd. 5. Minority and Multicultural Health -0- (77,000)

Grants Reduction. Effective July 1, 2008, base level funding for general fund minority and multicultural health grants issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

Subd. 6. Administrative Support Services 0 (1,100,000)

Base Adjustment. The general fund base is increased \$46,000 in fiscal years 2010 and 2011.

Sec. 5. **HEALTH RELATED BOARDS**

Subdivision 1. <u>Total Appropriation</u>		<u>\$</u>	<u>114,000</u>	<u>\$</u>	<u>200,000</u>
	<u>Appropriations by Fund</u>				
	<u>2008</u>		<u>2009</u>		
<u>General</u>	<u>-0-</u>		<u>-0-</u>		
<u>State Government</u>					
<u>Special Revenue</u>	<u>114,000</u>		<u>200,000</u>		

Transfer from Special Revenue Fund. During the fiscal year beginning July 1, 2008, the commissioner of finance shall transfer \$3,219,000 from the state government special revenue fund to the general fund.

Subd. 2. **Board of Nursing Home Administrators**

<u>State Government Special Revenue</u>		<u>100,000</u>		<u>200,000</u>
---	--	----------------	--	----------------

Administrative Services Unit. The amounts appropriated are for the administrative services unit to pay for costs of contested case hearings and other unanticipated costs of legal proceedings involving health-related boards funded under Laws 2007, chapter 147, article 19, section 6. Upon certification of a health-related board to the administrative services unit that the costs will be incurred and that there is insufficient money available to pay for the costs out of money currently available to that board, the administrative services unit is authorized to transfer money from this appropriation to the board for payment of those costs with the approval of the commissioner of finance. This appropriation does not cancel. Any unencumbered and unspent balances remain available for these expenditures in subsequent fiscal years.

Subd. 3. Board of Marriage and Family Therapy

<u>State Government Special Revenue</u>	<u>14,000</u>	<u>-0-</u>
---	---------------	------------

Sec. 6. EMERGENCY MEDICAL SERVICES BOARD**Longevity Award and Incentive Program.**

For the fiscal year beginning July 1, 2008, \$6,200,000 must be transferred from the ambulance service personnel longevity award and incentive trust to the general fund.

Sec. 7. Laws 2007, chapter 147, article 19, section 3, subdivision 4, is amended to read:

Subd. 4. Children and Economic Assistance Grants

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

(a) MFIP/DWP Grants

	Appropriations by Fund	
General	62,069,000	62,405,000
Federal TANF	75,904,000	80,841,000

(b) Support Services Grants

	Appropriations by Fund	
General	8,715,000	8,715,000
Federal TANF	113,429,000	115,902,000

TANF Prior Appropriation Cancellation.

Notwithstanding Laws 2001, First Special Session chapter 9, article 17, section 2, subdivision 11, paragraph (b), any unexpended TANF funds appropriated to the commissioner to contract with the Board of Trustees of Minnesota State Colleges and Universities, to provide tuition waivers to employees of health care and human service providers that are members of qualifying consortia operating under Minnesota Statutes, sections 116L.10 to 116L.15, must cancel at the end of fiscal year 2007.

MFIP Pilot Program. Of the TANF

appropriation, \$100,000 in fiscal year 2008 and \$750,000 in fiscal year 2009 are for a grant to the Stearns-Benton Employment and Training Council for the Workforce U pilot program. Base level funding for this program shall be \$750,000 in 2010 and \$0 in 2011.

Supported Work. (1) Of the TANF appropriation, \$5,468,000 in fiscal year 2008 and ~~\$7,291,000 in fiscal year 2009~~ are is for supported work for MFIP participants, to be allocated to counties and tribes based on the criteria under clauses (2) and (3), and is available until expended. Paid transitional work experience and other supported employment under this rider provides a continuum of employment assistance, including outreach and recruitment, program orientation and intake, testing and assessment, job development and marketing, preworksite training, supported worksite experience, job coaching, and postplacement follow-up, in addition to extensive case management and referral services. * **(The preceding text "and \$7,291,000 in fiscal year 2009" was indicated as vetoed by the governor.)**

(2) A county or tribe is eligible to receive an allocation under this rider if:

(i) the county or tribe is not meeting the federal work participation rate;

(ii) the county or tribe has participants who are required to perform work activities under Minnesota Statutes, chapter 256J, but are not meeting hourly work requirements; and

(iii) the county or tribe has assessed participants who have completed six weeks of job search or are required to perform work activities and are not meeting the hourly requirements, and the county or tribe has determined that the participant would benefit from working in a supported work environment.

(3) A county or tribe may also be eligible for

funds in order to contract for supplemental hours of paid work at the participant's child's place of education, child care location, or the child's physical or mental health treatment facility or office. This grant to counties and tribes is specifically for MFIP participants who need to work up to five hours more per week in order to meet the hourly work requirement, and the participant's employer cannot or will not offer more hours to the participant.

Work Study. Of the TANF appropriation, \$750,000 each year are to the commissioner to contract with the Minnesota Office of Higher Education for the biennium beginning July 1, 2007, for work study grants under Minnesota Statutes, section 136A.233, specifically for low-income individuals who receive assistance under Minnesota Statutes, chapter 256J, and for grants to opportunities industrialization centers. * **(The preceding text beginning "Work Study. Of the TANF appropriation," was indicated as vetoed by the governor.)**

Integrated Service Projects. \$2,500,000 in fiscal year 2008 and \$2,500,000 in fiscal year 2009 are appropriated from the TANF fund to the commissioner to continue to fund the existing integrated services projects for MFIP families, and if funding allows, additional similar projects.

Base Adjustment. The TANF base for fiscal year 2010 is \$115,902,000 and for fiscal year 2011 is \$115,152,000.

(c) MFIP Child Care Assistance Grants

General	74,654,000	71,951,000
---------	------------	------------

(d) Basic Sliding Fee Child Care Assistance Grants

General	42,995,000	45,008,000
---------	------------	------------

Base Adjustment. The general fund base is \$44,881,000 for fiscal year 2010 and

\$44,852,000 for fiscal year 2011.

At-Home Infant Care Program. No funding shall be allocated to or spent on the at-home infant care program under Minnesota Statutes, section 119B.035.

(e) Child Care Development Grants

General	4,390,000	6,390,000
---------	-----------	-----------

Prekindergarten Exploratory Projects. Of the general fund appropriation, \$2,000,000 the first year and \$4,000,000 the second year are for grants to the city of St. Paul, Hennepin County, and Blue Earth County to establish scholarship demonstration projects to be conducted in partnership with the Minnesota Early Learning Foundation to promote children's school readiness. This appropriation is available until June 30, 2009.

Child Care Services Grants. Of this appropriation, \$500,000 each year are for the purpose of providing child care services grants under Minnesota Statutes, section 119B.21, subdivision 5. This appropriation is for the 2008-2009 biennium only, and does not increase the base funding.

Early Childhood Professional Development System. Of this appropriation, \$500,000 each year are for purposes of the early childhood professional development system, which increases the quality and continuum of professional development opportunities for child care practitioners. This appropriation is for the 2008-2009 biennium only, and does not increase the base funding.

Base Adjustment. The general fund base is \$1,515,000 for each of fiscal years 2010 and 2011.

(f) Child Support Enforcement Grants

General	11,038,000	3,705,000
---------	------------	-----------

Child Support Enforcement. \$7,333,000 for

fiscal year 2008 is to make grants to counties for child support enforcement programs to make up for the loss under the 2005 federal Deficit Reduction Act of federal matching funds for federal incentive funds passed on to the counties by the state.

This appropriation is available until June 30, 2009.

(g) Children's Services Grants

Appropriations by Fund		
General	63,647,000	71,147,000
Health Care Access	250,000	-0-
TANF	240,000	340,000

Grants for Programs Serving Young Parents.

Of the TANF fund appropriation, \$140,000 each year is for a grant to a program or programs that provide comprehensive services through a private, nonprofit agency to young parents in Hennepin County who have dropped out of school and are receiving public assistance. The program administrator shall report annually to the commissioner on skills development, education, job training, and job placement outcomes for program participants.

County Allocations for Rate Increases. County Children and Community Services Act allocations shall be increased by \$197,000 effective October 1, 2007, and \$696,000 effective October 1, 2008, to help counties pay for the rate adjustments to day training and habilitation providers for participants paid by county social service funds. Notwithstanding the provisions of Minnesota Statutes, section 256M.40, the allocation to a county shall be based on the county's proportion of social services spending for day training and habilitation services as determined in the most recent social services expenditure and grant reconciliation report.

Privatized Adoption Grants. Federal

reimbursement for privatized adoption grant and foster care recruitment grant expenditures is appropriated to the commissioner for adoption grants and foster care and adoption administrative purposes.

Adoption Assistance Incentive Grants. Federal funds available during fiscal year 2008 and fiscal year 2009 for the adoption incentive grants are appropriated to the commissioner for these purposes.

Adoption Assistance and Relative Custody Assistance. The commissioner may transfer unencumbered appropriation balances for adoption assistance and relative custody assistance between fiscal years and between programs.

Children's Mental Health Grants. Of the general fund appropriation, \$5,913,000 in fiscal year 2008 and \$6,825,000 in fiscal year 2009 are for children's mental health grants. The purpose of these grants is to increase and maintain the state's children's mental health service capacity, especially for school-based mental health services. The commissioner shall require grantees to utilize all available third party reimbursement sources as a condition of using state grant funds. At least 15 percent of these funds shall be used to encourage efficiencies through early intervention services. At least another 15 percent shall be used to provide respite care services for children with severe emotional disturbance at risk of out-of-home placement.

Mental Health Crisis Services. Of the general fund appropriation, \$2,528,000 in fiscal year 2008 and \$2,850,000 in fiscal year 2009 are for statewide funding of children's mental health crisis services. Providers must utilize all available funding streams.

Children's Mental Health Evidence-Based and Best Practices. Of the general fund appropriation, \$375,000 in fiscal year 2008 and \$750,000 in fiscal year 2009 are for children's mental health evidence-based and

best practices including, but not limited to: Adolescent Integrated Dual Diagnosis Treatment services; school-based mental health services; co-location of mental health and physical health care, and; the use of technological resources to better inform diagnosis and development of treatment plan development by mental health professionals. The commissioner shall require grantees to utilize all available third-party reimbursement sources as a condition of using state grant funds.

Culturally Specific Mental Health Treatment Grants. Of the general fund appropriation, \$75,000 in fiscal year 2008 and \$300,000 in fiscal year 2009 are for children's mental health grants to support increased availability of mental health services for persons from cultural and ethnic minorities within the state. The commissioner shall use at least 20 percent of these funds to help members of cultural and ethnic minority communities to become qualified mental health professionals and practitioners. The commissioner shall assist grantees to meet third-party credentialing requirements and require them to utilize all available third-party reimbursement sources as a condition of using state grant funds.

Mental Health Services for Children with Special Treatment Needs. Of the general fund appropriation, \$50,000 in fiscal year 2008 and \$200,000 in fiscal year 2009 are for children's mental health grants to support increased availability of mental health services for children with special treatment needs. These shall include, but not be limited to: victims of trauma, including children subjected to abuse or neglect, veterans and their families, and refugee populations; persons with complex treatment needs, such as eating disorders; and those with low incidence disorders.

MFIP and Children's Mental Health Pilot Project. Of the TANF appropriation, \$100,000 in fiscal year 2008 and \$200,000 in fiscal year 2009 are to fund the MFIP

and children's mental health pilot project. Of these amounts, up to \$100,000 may be expended on evaluation of this pilot.

Prenatal Alcohol or Drug Use. Of the general fund appropriation, \$75,000 each year is to award grants beginning July 1, 2007, to programs that provide services under Minnesota Statutes, section 254A.171, in Pine, Kanabec, and Carlton Counties. This appropriation shall become part of the base appropriation.

Base Adjustment. The general fund base is \$62,572,000 in fiscal year 2010 and \$62,575,000 in fiscal year 2011.

(h) Children and Community Services Grants

General	101,369,000	69,208,000
---------	-------------	------------

Base Adjustment. The general fund base is \$69,274,000 in each of fiscal years 2010 and 2011.

Targeted Case Management Temporary Funding. (a) Of the general fund appropriation, \$32,667,000 in fiscal year 2008 is transferred to the targeted case management contingency reserve account in the general fund to be allocated to counties and tribes affected by reductions in targeted case management federal Medicaid revenue as a result of the provisions in the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) Contingent upon (1) publication by the federal Centers for Medicare and Medicaid Services of final regulations implementing the targeted case management provisions of the federal Deficit Reduction Act of 2005, Public Law 109-171, or (2) the issuance of a finding by the Centers for Medicare and Medicaid Services of federal Medicaid overpayments for targeted case management expenditures, up to \$32,667,000 is appropriated to the commissioner of human services. Prior to distribution of funds, the

commissioner shall estimate and certify the amount by which the federal regulations or federal disallowance will reduce targeted case management Medicaid revenue over the 2008-2009 biennium.

(c) Within 60 days of a contingency described in paragraph (b), the commissioner shall distribute the grants proportionate to each affected county or tribe's targeted case management federal earnings for calendar year 2005, not to exceed the lower of (1) the amount of the estimated reduction in federal revenue or (2) \$32,667,000.

(d) These funds are available in either year of the biennium. Counties and tribes shall use these funds to pay for social service-related costs, but the funds are not subject to provisions of the Children and Community Services Act grant under Minnesota Statutes, chapter 256M.

(e) This appropriation shall be available to pay counties and tribes for expenses incurred on or after July 1, 2007. The appropriation shall be available until expended.

(i) **General Assistance Grants**

General	37,876,000	38,253,000
---------	------------	------------

General Assistance Standard. The commissioner shall set the monthly standard of assistance for general assistance units consisting of an adult recipient who is childless and unmarried or living apart from parents or a legal guardian at \$203. The commissioner may reduce this amount according to Laws 1997, chapter 85, article 3, section 54.

Emergency General Assistance. The amount appropriated for emergency general assistance funds is limited to no more than \$7,889,812 in fiscal year 2008 and \$7,889,812 in fiscal year 2009. Funds to counties must be allocated by the commissioner using the allocation method specified in Minnesota

Statutes, section 256D.06.

(j) Minnesota Supplemental Aid Grants

General	30,505,000	30,812,000
---------	------------	------------

Emergency Minnesota Supplemental Aid Funds. The amount appropriated for emergency Minnesota supplemental aid funds is limited to no more than \$1,100,000 in fiscal year 2008 and \$1,100,000 in fiscal year 2009. Funds to counties must be allocated by the commissioner using the allocation method specified in Minnesota Statutes, section 256D.46.

(k) Group Residential Housing Grants

General	91,069,000	98,671,000
---------	------------	------------

People Incorporated. Of the general fund appropriation, \$460,000 each year is to augment community support and mental health services provided to individuals residing in facilities under Minnesota Statutes, section 256I.05, subdivision 1m.

(l) Other Children and Economic Assistance Grants

General	20,183,000	16,333,000
Federal TANF	1,500,000	1,500,000

Base Adjustment. The general fund base shall be \$16,033,000 in fiscal year 2010 and \$15,533,000 in fiscal year 2011. The TANF base shall be \$1,500,000 in fiscal year 2010 and \$1,181,000 in fiscal year 2011.

Homeless and Runaway Youth. Of the general fund appropriation, \$500,000 each year are for the Runaway and Homeless Youth Act under Minnesota Statutes, section 256K.45. Funds shall be spent in each area of the continuum of care to ensure that programs are meeting the greatest need. This is a onetime appropriation.

Long-Term Homelessness. Of the general

fund appropriation, ~~\$1,500,000 each year~~ are \$2,000,000 in fiscal year 2008 is for implementation of programs to address long-term homelessness and is available in either year of the biennium. This is a onetime appropriation.

Minnesota Community Action Grants. (a) Of the general fund appropriation, \$250,000 each year is for the purposes of Minnesota community action grants under Minnesota Statutes, sections 256E.30 to 256E.32. This is a onetime appropriation.

(b) Of the TANF appropriation, \$1,500,000 each year is for community action agencies for auto repairs, auto loans, and auto purchase grants to individuals who are eligible to receive benefits under Minnesota Statutes, chapter 256J, or who have lost eligibility for benefits under Minnesota Statutes, chapter 256J, due to earnings in the prior 12 months. Base level funding for this activity shall be \$1,500,000 in fiscal year 2010 and \$1,181,000 in fiscal year 2011. * **(The preceding text beginning "(b) Of the TANF appropriation," was indicated as vetoed by the governor.)**

(c) Money appropriated under paragraphs (a) and (b) that is not spent in the first year does not cancel but is available for the second year.

Sec. 8. SUNSET OF UNCODIFIED LANGUAGE.

All uncodified language contained in this article expires on June 30, 2009, unless a different expiration date is specified.

ARTICLE 19

HEALTH AND HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. SUMMARY OF APPROPRIATIONS; DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.

The dollar amounts shown are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2007, chapter 147, from the general fund, or any other fund named, to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figure "2008" used in this article means that the appropriation or appropriations listed are available for the fiscal year ending June 30, 2008. The figure "2009"

<u>(e) Group Residential Housing Grants</u>	<u>(6,786,000)</u>	<u>(1,563,000)</u>
--	--------------------	--------------------

Subd. 4. Basic Health Care Grants

<u>General</u>	<u>30,075,000</u>	<u>48,389,000</u>
<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>

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

(a) MinnesotaCare

<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
---------------------------	---------------------	---------------------

<u>(b) MA Basic Health Care - Families and Children</u>	<u>13,525,000</u>	<u>7,005,000</u>
--	-------------------	------------------

<u>(c) MA Basic Health Care - Elderly and Disabled</u>	<u>(2,292,000)</u>	<u>5,479,000</u>
---	--------------------	------------------

<u>(d) General Assistance Medical Care</u>	<u>18,842,000</u>	<u>35,905,000</u>
---	-------------------	-------------------

<u>Subd. 5. Continuing Care Grants</u>	<u>(18,376,000)</u>	<u>(1,964,000)</u>
---	----------------------------	---------------------------

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

<u>(a) MA Long-Term Care Facilities</u>	<u>(10,986,000)</u>	<u>(2,148,000)</u>
--	---------------------	--------------------

<u>(b) MA Long-Term Care Waivers</u>	<u>(18,484,000)</u>	<u>(13,598,000)</u>
---	---------------------	---------------------

<u>(c) Chemical Dependency Entitlement Grants</u>	<u>11,094,000</u>	<u>13,782,000"</u>
--	-------------------	--------------------

Delete the title and insert:

"A bill for an act relating to the financing of state government; making supplemental appropriations and reductions in appropriations for early childhood through grade 12 education, higher education, environment and natural resources, energy, agriculture, veterans affairs, military affairs, economic development, transportation, public safety, judiciary, state government, and health and human services; modifying certain statutory provisions and laws; providing for certain programs; fixing and limiting fees; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2006, sections 15A.0815, subdivisions 2, as amended, 3; 17.4988, subdivisions 2, 3; 41A.09, subdivision 3a; 93.481, by adding a subdivision; 97A.475, subdivision 29; 103A.204; 103A.43; 103B.151, subdivision 1; 103G.271, subdivision 6; 103G.291, by adding a subdivision; 103G.615, subdivision 2; 116.07, subdivision 4; 116L.04, subdivision 1; 116L.05, subdivisions 3, 5; 116L.16; 116L.20, subdivision 2; 116U.26; 121A.19; 122A.21; 123B.59, subdivision 1; 123B.62; 124D.04, subdivisions 3, 6, 8, 9; 124D.05, by adding a subdivision; 124D.118, subdivision 4; 124D.55; 125A.65, subdivision 4, by adding a subdivision; 125A.76, by adding a subdivision; 126C.10, subdivision 31, by adding a subdivision; 126C.17, subdivision

9; 126C.40, subdivision 1; 126C.45; 126C.51; 126C.52, subdivision 2, by adding a subdivision; 126C.53; 126C.55; 127A.45, subdivision 16; 136A.101, subdivision 8; 136G.11, subdivision 1; 145.9255, subdivision 1; 168.013, by adding a subdivision; 168.1255, by adding a subdivision; 168A.29, as amended; 190.19, subdivision 1, by adding a subdivision; 190.25, subdivision 3, by adding a subdivision; 192.501, by adding subdivisions; 216C.41, subdivision 4; 256.741, subdivisions 2, 2a, 3; 256.969, subdivisions 2b, 3a; 256B.0571, subdivisions 8, 9; 256B.0621, subdivisions 2, 6, 10; 256B.0625, subdivision 13e; 256B.0924, subdivisions 4, 6; 256B.19, subdivision 1d; 256B.32, subdivision 1; 256B.431, subdivision 23; 256B.69, subdivisions 5a, 6; 256B.75; 256D.44, subdivisions 2, 5; 270B.085, by adding a subdivision; 298.223, subdivision 2; 298.28, subdivision 9d, as added; 298.292, subdivision 2, as amended; 298.2961, subdivision 2; 299A.45, subdivision 1; 299A.705, by adding a subdivision; 325E.313; 325E.314; 357.021, subdivisions 6, 7; 446A.12, subdivision 1; 462A.22, subdivision 1; 473.1565, subdivision 3; 518A.50; 518A.53, subdivision 5; 609.531, subdivision 1; Minnesota Statutes 2007 Supplement, sections 80A.65, subdivision 1; 103G.291, subdivision 3; 116L.17, subdivision 1; 123B.54; 124D.531, subdivision 1; 125A.76, subdivision 2; 126C.44; 127A.49, subdivisions 2, 3; 136A.121, subdivision 7a; 144E.45, subdivision 2; 171.06, subdivision 2; 190.19, subdivision 2; 216C.41, subdivision 3; 256.741, subdivision 1; 256B.0625, subdivision 20; 256B.0631, subdivisions 1, 3; 256B.441, subdivisions 1, 55, 56; 256B.5012, subdivision 7; 256J.621; 297I.06, subdivision 3; Laws 1999, chapter 223, article 2, section 72; Laws 2005, chapter 156, article 1, section 11, subdivision 2; Laws 2006, chapter 282, article 2, section 27, subdivision 4; Laws 2007, chapter 45, article 1, section 3, subdivision 4; Laws 2007, chapter 54, article 1, section 11; Laws 2007, chapter 57, article 1, section 4, subdivisions 4, 6; Laws 2007, chapter 135, article 1, sections 3, subdivisions 2, 3; 6, subdivision 4; Laws 2007, chapter 143, article 1, section 3, subdivision 2; Laws 2007, chapter 144, article 1, sections 3, subdivision 2; 5, subdivision 5; 7; Laws 2007, chapter 146, article 1, section 24, subdivisions 2, 3, 4, 5, 6, 7, 8; article 2, section 46, subdivisions 2, 3, 4, 6, 9, 13, 14, 20; article 3, sections 23, subdivision 2; 24, subdivisions 3, 4, 9; article 4, section 16, subdivisions 2, 3, 6, 8; article 5, sections 11, subdivision 1; 13, subdivisions 2, 3, 4; article 7, section 4; article 9, section 17, subdivisions 2, 3, 4, 8, 9, 13; Laws 2007, chapter 147, article 7, section 71; article 19, section 3, subdivision 4; Laws 2007, chapter 148, article 1, section 12, subdivision 4; Laws 2007, First Special Session chapter 2, article 1, sections 8, subdivision 2; 11, subdivisions 1, 2, 6; Laws 2008, chapter 152, article 1, section 6, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 5; 13B; 85; 94; 103B; 114D; 116J; 124D; 129D; 136F; 144; 173; 192; 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, sections 126C.21, subdivision 1; 127A.45, subdivision 7a; 256.741, subdivision 15; 341.31; Laws 2004, chapter 188, section 2; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3, 4."

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

House Conferees: (Signed) Lyndon Carlson, Mary Murphy, Jean Wagenius, Tom Rukavina, Dennis Ozment

Senate Conferees: (Signed) Richard J. Cohen, David J. Tomassoni, Dennis R. Frederickson, Don Betzold, Linda Higgins

Senator Cohen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1812 be now adopted, and that the bill be repassed as amended by the Conference Committee.