

SPECIAL SESSION

TENTH DAY

St. Paul, Minnesota, Thursday, June 24, 2021

The Senate met at 10:00 a.m. and was called to order by the President Pro Tem.

Prayer was offered by the Chaplain, Rev. Richard Buller.

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 were present:

Abeler	Draheim	Howe	Marty	Rest
Anderson	Duckworth	Ingebrigtsen	Mathews	Rosen
Bakk	Dziedzic	Isaacson	McEwen	Ruud
Benson	Eaton	Jasinski	Miller	Senjem
Bigham	Eichorn	Johnson	Murphy	Tomassoni
Carlson	Eken	Johnson Stewart	Nelson	Torres Ray
Chamberlain	Fateh	Kent	Newman	Utke
Champion	Franzen	Kiffmeyer	Newton	Weber
Clausen	Frentz	Klein	Osmek	Westrom
Coleman	Gazelka	Koran	Pappas	Wiger
Cwodzinski	Goggin	Kunesh	Port	Wiklund
Dahms	Hawj	Lang	Pratt	
Dibble	Hoffman	Latz	Putnam	
Dornink	Housley	Limmer	Rarick	

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Abeler, Benson, Carlson (California), Champion, Dornink, Draheim, Dziedzic, Eaton, Eichorn, Eken, Fateh, Franzen, Goggin, Housley, Kiffmeyer, Lang, Latz, Newton, Port, Putnam, Rarick, Rest, Ruud, Torres Ray, and Wiklund.

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 the passage by the House of the following House File, herewith transmitted: H.F. No. 10.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted June 23, 2021

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 10: A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; modifying prior appropriations; authorizing the sale and issuance of state bonds; requiring law enforcement salary increases; modifying various policy and finance provisions; establishing an advisory committee; authorizing rulemaking; establishing task forces; requiring studies, an expert review, and legislative reports; amending Minnesota Statutes 2020, sections 16A.11, by adding a subdivision; 16A.88, subdivision 1a; 84.787, subdivision 7; 84.797, subdivision 7; 84.92, subdivision 8; 117.075, subdivisions 2, 3; 160.02, subdivision 1a; 160.263, subdivision 3; 160.93, subdivision 4; 161.088, subdivision 5; 161.089; 161.115, subdivision 27; 161.14, by adding subdivisions; 161.23, subdivisions 2, 2a; 161.3208, subdivision 1; 161.44, subdivisions 6a, 6b; 162.145, subdivision 3; 163.07, subdivision 2; 167.45; 168.002, subdivision 18; 168.12, subdivisions 1, 5; 168.183; 168.187, subdivision 17; 168.301, subdivision 1; 168.31, subdivision 4; 168.327, subdivisions 1, 6, by adding subdivisions; 168A.11, subdivisions 1, 2; 169.011, subdivisions 5, 9, 27, 42, by adding subdivisions; 169.035, subdivision 3; 169.09, subdivisions 13, 14; 169.18, subdivision 10; 169.222, subdivisions 1, 4, 6a, by adding a subdivision; 169.451, subdivision 3, by adding a subdivision; 169.522, subdivision 1; 169.58, by adding a subdivision; 169.812, subdivision 2; 169.92, subdivision 4; 171.06, subdivisions 2a, 3, as amended, by adding a subdivision; 171.071, by adding a subdivision; 171.12, subdivision 7b; 171.13, subdivisions 1, 6, 7, 9; 171.16, subdivisions 2, 3, by adding a subdivision; 171.18, subdivision 1; 171.20, subdivision 4; 171.27; 171.29, subdivision 2; 174.03, subdivisions 1b, 1c, 8, 12; 174.185, subdivision 3; 174.24, subdivision 7; 174.285, subdivision 5; 174.40, subdivision 5; 174.50, subdivisions 6d, 7, by adding a subdivision; 174.52, subdivision 5; 174.56, subdivision 1; 219.015, subdivisions 1, 2; 296A.083, subdivision 2; 299A.55, subdivision 3; 299D.03, subdivision 2a; 325E.15; 360.012, by adding a subdivision; 360.013, by adding subdivisions; 360.55, by adding a subdivision; 360.59, subdivision 10; 473.386, by adding subdivisions; 473.39, subdivision 6, by adding a subdivision; 480.15, by adding a subdivision; Laws 2012, chapter 287, article 3, sections 2; 3; 4; Laws 2013, chapter 143, article 9, section 20; Laws 2019, First Special Session chapter 3, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 161; 168; 169; 171; 174; 345; 473; repealing Minnesota Statutes 2020, sections 16A.60; 161.20, subdivision 3; 168.327, subdivision 5; 169.09, subdivision 7; Laws 2020, Fifth Special Session chapter 3, article 9, section 6; Minnesota Rules, parts 7410.2610, subparts 1, 2, 3, 3a, 5a, 5b, 6; 7414.1490; 7470.0300; 7470.0400; 7470.0500; 7470.0600; 7470.0700.

Senator Gazelka moved that H.F. No. 10 be laid on the table. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Senjem introduced--

S.F. No. 62: A bill for an act relating to capital investment; appropriating money for improvements at the Wasioja Historic District seminary ruins in Dodge County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Duckworth and Chamberlain introduced--

S.F. No. 63: A bill for an act relating to higher education; allowing compensation for student athletes for use of athletes' name, image, or likeness; establishing a working group; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Rules and Administration.

RECESS

Senator Gazelka 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.

President Miller assumed the Chair.

MOTIONS AND RESOLUTIONS

Senator Johnson moved that H.F. No. 10 be taken from the table. The motion prevailed.

H.F. No. 10: A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; modifying prior appropriations; authorizing the sale and issuance of state bonds; requiring law enforcement salary increases; modifying various policy and finance provisions; establishing an advisory committee; authorizing rulemaking; establishing task forces; requiring studies, an expert review, and legislative reports; amending Minnesota Statutes 2020, sections 16A.11, by adding a subdivision; 16A.88, subdivision 1a; 84.787, subdivision 7; 84.797, subdivision 7; 84.92, subdivision 8; 117.075, subdivisions 2, 3; 160.02, subdivision 1a; 160.263, subdivision 3; 160.93, subdivision 4; 161.088, subdivision 5; 161.089; 161.115, subdivision 27; 161.14, by adding subdivisions; 161.23, subdivisions 2, 2a; 161.3208, subdivision 1; 161.44, subdivisions 6a, 6b; 162.145, subdivision 3; 163.07, subdivision 2; 167.45; 168.002, subdivision 18; 168.12, subdivisions 1, 5; 168.183; 168.187, subdivision 17; 168.301, subdivision 1; 168.31, subdivision 4; 168.327, subdivisions 1, 6, by adding subdivisions; 168A.11, subdivisions 1, 2; 169.011, subdivisions 5, 9, 27, 42, by adding subdivisions; 169.035, subdivision 3; 169.09, subdivisions 13, 14; 169.18, subdivision 10; 169.222, subdivisions 1, 4, 6a, by adding a

subdivision; 169.451, subdivision 3, by adding a subdivision; 169.522, subdivision 1; 169.58, by adding a subdivision; 169.812, subdivision 2; 169.92, subdivision 4; 171.06, subdivisions 2a, 3, as amended, by adding a subdivision; 171.071, by adding a subdivision; 171.12, subdivision 7b; 171.13, subdivisions 1, 6, 7, 9; 171.16, subdivisions 2, 3, by adding a subdivision; 171.18, subdivision 1; 171.20, subdivision 4; 171.27; 171.29, subdivision 2; 174.03, subdivisions 1b, 1c, 8, 12; 174.185, subdivision 3; 174.24, subdivision 7; 174.285, subdivision 5; 174.40, subdivision 5; 174.50, subdivisions 6d, 7, by adding a subdivision; 174.52, subdivision 5; 174.56, subdivision 1; 219.015, subdivisions 1, 2; 296A.083, subdivision 2; 299A.55, subdivision 3; 299D.03, subdivision 2a; 325E.15; 360.012, by adding a subdivision; 360.013, by adding subdivisions; 360.55, by adding a subdivision; 360.59, subdivision 10; 473.386, by adding subdivisions; 473.39, subdivision 6, by adding a subdivision; 480.15, by adding a subdivision; Laws 2012, chapter 287, article 3, sections 2; 3; 4; Laws 2013, chapter 143, article 9, section 20; Laws 2019, First Special Session chapter 3, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 161; 168; 169; 171; 174; 345; 473; repealing Minnesota Statutes 2020, sections 16A.60; 161.20, subdivision 3; 168.327, subdivision 5; 169.09, subdivision 7; Laws 2020, Fifth Special Session chapter 3, article 9, section 6; Minnesota Rules, parts 7410.2610, subparts 1, 2, 3, 3a, 5a, 5b, 6; 7414.1490; 7470.0300; 7470.0400; 7470.0500; 7470.0600; 7470.0700.

SUSPENSION OF RULES

Senator Johnson moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 10 and that the rules of the Senate be so far suspended as to give H.F. No. 10 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 10 was read the second time.

H.F. No. 10 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Howe	Marty	Rest
Anderson	Duckworth	Ingebrigtsen	Mathews	Rosen
Bakk	Dziedzic	Isaacson	McEwen	Ruud
Benson	Eaton	Jasinski	Miller	Senjem
Bigham	Eichorn	Johnson	Murphy	Tomassoni
Carlson	Eken	Johnson Stewart	Nelson	Torres Ray
Chamberlain	Fateh	Kent	Newman	Utke
Champion	Franzen	Kiffmeyer	Newton	Weber
Clausen	Frentz	Klein	Osmek	Westrom
Coleman	Gazelka	Koran	Pappas	Wiger
Cwodzinski	Goggin	Kunesh	Port	Wicklund
Dahms	Hawj	Lang	Pratt	
Dibble	Hoffman	Latz	Putnam	
Dornink	Housley	Limmer	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Benson, Dornink, Draheim, Eichorn, Goggin, Housley, Kiffmeyer, Lang, Rarick, and Ruud.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Dziejdzic, Eaton, Eken, Fateh, Franzen, Isaacson, Klein, Latz, McEwen, Newton, Port, Putnam, Rest, Torres Ray, and Wiklund.

So the bill passed and its title was agreed to.

RECESS

Senator Gazelka 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

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 4.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted June 24, 2021

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 4: A bill for an act relating to state government; establishing a budget for the Minnesota Housing Finance Agency; modifying various housing policy provisions; expanding requirements and uses of housing infrastructure bonds and rehabilitation loans; expanding accommodation requirements for service and support animals; expanding property ownership options to owners of manufactured homes; providing for an eviction moratorium phaseout; establishing a task force on shelter; making technical and conforming changes; requiring a report; appropriating money; amending Minnesota Statutes 2020, sections 12A.09, subdivision 3; 256C.02; 273.11, subdivision 12; 273.125, subdivision 8; 326B.106, subdivision 7; 363A.09, subdivision 5; 462A.05, subdivisions 14, 14a; 462A.07, subdivision 2; 462A.30, subdivision 9; 462A.37, subdivision 5, by adding a subdivision; 474A.21; proposing coding for new law in Minnesota Statutes, chapters 168A; 504B; repealing Minnesota Statutes 2020, section 168A.141.

Senator Benson, designee of the Chair of the Committee of Rules and Administration, moved that H.F. No. 4 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Senator Benson moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Rosen from the Committee on Finance, to which was referred

S.F. No. 23: A bill for an act relating to education; providing for prekindergarten through grade 12 education; making forecast adjustments; appropriating money; amending Laws 2019, First Special Session chapter 11, article 1, section 25, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended, 7, as amended, 9, as amended; article 2, section 33, subdivisions 2, as amended, 3, as amended, 5, as amended, 6, as amended, 16, as amended; article 3, section 23, subdivision 3, as amended; article 4, section 11, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended; article 6, section 7, subdivisions 2, as amended, 3, as amended; article 7, section 1, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 13, subdivisions 5, as amended, 14, as amended; article 9, section 3, subdivision 2, as amended.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1**GENERAL EDUCATION**

Section 1. Minnesota Statutes 2020, section 120A.35, is amended to read:

120A.35 ABSENCE FROM SCHOOL FOR RELIGIOUS OBSERVANCE.

Reasonable efforts must be made by a school district to accommodate any pupil who wishes to be excused from a curricular activity for a religious observance. A school board must provide annual notice to parents of the school district's policy relating to a pupil's absence from school for religious observance.

EFFECTIVE DATE. This section is effective for the 2021-2022 school year and later.

Sec. 2. Minnesota Statutes 2020, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individualized education program is counted as the ratio of the number

of hours of assessment and education service to 825 times 1.0 with a minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is counted as the ratio of the number of hours of assessment service to 825 times 1.0.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individualized education program to 875, but not more than one.

(d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled in an approved voluntary prekindergarten program under section 124D.151 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units.

(e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school.

(f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

(i) For fiscal years 2018 through ~~2021~~ 2023, a prekindergarten pupil who:

(1) is not included in paragraph (a), (b), or (d);

(2) is enrolled in a school readiness plus program under Laws 2017, First Special Session chapter 5, article 8, section 9; and

(3) has one or more of the risk factors specified by the eligibility requirements for a school readiness plus program,

is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same manner as a voluntary prekindergarten student for all general education and other school funding formulas.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 3. Minnesota Statutes 2020, section 126C.05, subdivision 3, is amended to read:

Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units for fiscal year ~~1998 and thereafter~~ must be computed according to this subdivision.

(a) The compensation revenue concentration percentage for each building in a district equals the product of 100 times the ratio of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch plus one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; to

(2) the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(b) The compensation revenue pupil weighting factor for a building equals the lesser of one or the quotient obtained by dividing the building's compensation revenue concentration percentage by 80.0.

(c) The compensation revenue pupil units for a building equals the product of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; times

(2) the compensation revenue pupil weighting factor for the building; times

(3) .60.

(d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs under section 124D.151, charter schools, and contracted alternative programs in the first year of operation, compensation revenue pupil units shall be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, compensatory revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensation revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

(e) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten seats discontinued in fiscal year ~~2022~~ 2024 due to the reduction in the participation limit under section 124D.151, subdivision 6, those discontinued seats must not be used to calculate compensation revenue pupil units for fiscal year ~~2022~~ 2024.

(f) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 4. Minnesota Statutes 2020, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula allowance times the adjusted pupil units for the school year. ~~The formula allowance for fiscal year 2019 is \$6,312. The formula allowance for fiscal year 2020 is \$6,438. The formula allowance for fiscal year 2021 and later is \$6,567. The formula allowance for fiscal year 2022 is \$6,728. The formula allowance for fiscal year 2023 and later is \$6,863.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 5. Minnesota Statutes 2020, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. **Local optional revenue.** (a) ~~For fiscal year 2020, local optional revenue for a school district equals \$424 times the adjusted pupil units of the district for that school year.~~ For fiscal year 2021 and later, local optional revenue for a school district equals the sum of the district's first tier local optional revenue and second tier local optional revenue. A district's first tier local optional revenue equals \$300 times the adjusted pupil units of the district for that school year. A district's second tier local optional revenue equals \$424 times the adjusted pupil units of the district for that school year.

~~(b) For fiscal year 2020, a district's local optional levy equals its local optional revenue times the lesser of one or the ratio of its referendum market value per resident pupil unit to \$510,000.~~

(b) For fiscal year 2021 and later, a district's local optional levy equals the sum of the first tier local optional levy and the second tier local optional levy.

(c) A district's first tier local optional levy equals the district's first tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.

(d) For fiscal year 2022, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000. For fiscal year 2023, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$548,842. For fiscal year 2024 and later, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000.

(e) The local optional levy must be spread on referendum market value. A district may levy less than the permitted amount.

~~(f)~~ (f) A district's local optional aid equals its local optional revenue minus its local optional levy. If a district's actual levy for first or second tier local optional revenue is less than its maximum levy limit for that tier, its aid must be proportionately reduced.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 6. Minnesota Statutes 2020, section 126C.15, subdivision 5, is amended to read:

Subd. 5. **Annual expenditure report.** Each year a district that receives basic skills revenue must submit a report identifying the expenditures it incurred to meet the needs of eligible learners under subdivision 1. The report must conform to uniform financial and reporting standards established for this purpose and provide a breakdown by functional area. Using valid and reliable data and measurement criteria, the report also must determine whether increased expenditures raised student achievement levels.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 7. Minnesota Statutes 2020, 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 in the preceding year, 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~~ in the third preceding year according to the following:

(A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

(E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

(F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

(G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

(H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

(I) section 123B.535, subdivision 4, if the district received natural disaster debt service equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

(J) 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; and

(K) section 122A.415, subdivision 5, if the district received alternative teacher compensation equalization aid according to section 122A.415, subdivision 6, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy ~~for the fiscal~~ in the third preceding year, plus or minus auditor's adjustments.

(c) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

- (1) the amount of the distribution of excess increment; and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district must use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

(d) This subdivision applies only to the total amount of excess increments received by a district for a calendar year that exceeds \$25,000.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 8. Minnesota Statutes 2020, section 469.176, subdivision 2, is amended to read:

Subd. 2. **Excess increments.** (a) The authority shall annually determine the amount of excess increments for a district, if any. This determination must be based on the tax increment financing plan in effect on December 31 of the year and the increments and other revenues received as of December 31 of the year. The authority must spend or return the excess increments under paragraph (c) within nine months after the end of the year.

(b) For purposes of this subdivision, "excess increments" equals the excess of:

(1) total increments collected from the district since its certification, reduced by any excess increments paid under paragraph (c), clause (4), for a prior year, over

(2) the total costs authorized by the tax increment financing plan to be paid with increments from the district, reduced, but not below zero, by the sum of:

(i) the amounts of those authorized costs that have been paid from sources other than tax increments from the district;

(ii) revenues, other than tax increments from the district, that are dedicated for or otherwise required to be used to pay those authorized costs and that the authority has received and that are not included in item (i);

(iii) the amount of principal and interest obligations due on outstanding bonds after December 31 of the year and not prepaid under paragraph (c) in a prior year; and

(iv) increased by the sum of the transfers of increments made under section 469.1763, subdivision 6, to reduce deficits in other districts made by December 31 of the year.

(c) The authority shall use excess increment only to do one or more of the following:

(1) prepay any outstanding bonds;

(2) discharge the pledge of tax increment for any outstanding bonds;

(3) pay into an escrow account dedicated to the payment of any outstanding bonds; or

(4) return the excess amount to the county auditor who shall distribute the excess amount to the city or town, county, and school district in which the tax increment financing district is located in direct proportion to their respective local tax rates.

(d) For purposes of a district for which the request for certification was made prior to August 1, 1979, excess increments equal the amount of increments on hand on December 31, less the principal and interest obligations due on outstanding bonds or advances, qualifying under subdivision 1c, clauses (1), (2), (4), and (5), after December 31 of the year and not prepaid under paragraph (c).

(e) The county auditor must, prior to February 1 of each year, report to the commissioner of education the amount of any excess tax increment distributed to a school district ~~within 30 days of the distribution~~ for the preceding taxable year.

(f) For purposes of this subdivision, "outstanding bonds" means bonds which are secured by increments from the district.

(g) The state auditor may exempt an authority from reporting the amounts calculated under this subdivision for a calendar year, if the authority certifies to the auditor in its report that the total amount authorized by the tax increment plan to be paid with increments from the district exceeds the sum of the total increments collected for the district for all years by 20 percent.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 9. ENGLISH LEARNER CROSS SUBSIDY REDUCTION AID.

(a) Notwithstanding Minnesota Statutes, section 124D.65, English learner aid is increased by \$2,000,000 per year for fiscal years 2022, 2023, 2024, and 2025. The commissioner must allocate the aid to each school district and charter school based on the school district's or charter school's proportionate share of English learner and concentration revenue under Minnesota Statutes, section 126C.10, subdivision 4, clauses (2) and (3), for the preceding fiscal year.

(b) Revenue under this section must be used and reserved as basic skills revenue according to Minnesota Statutes, section 126C.15.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2022 and expires at the end of fiscal year 2025.

Sec. 10. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	<u>7,569,266,000</u>	.....	<u>2022</u>
\$	<u>7,804,527,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$717,326,000 for 2021 and \$6,851,940,000 for 2022.

The 2023 appropriation includes \$734,520,000 for 2022 and \$7,070,007,000 for 2023.

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$	<u>12,000</u>	.....	<u>2022</u>
\$	<u>13,000</u>	.....	<u>2023</u>

Subd. 4. **Abatement aid.** For abatement aid under Minnesota Statutes, section 127A.49:

\$	<u>2,897,000</u>	.....	<u>2022</u>
\$	<u>3,558,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$269,000 for 2021 and \$2,628,000 for 2022.

The 2023 appropriation includes \$291,000 for 2022 and \$3,267,000 for 2023.

Subd. 5. **Consolidation transition aid.** For districts consolidating under Minnesota Statutes, section 123A.485:

\$	<u>309,000</u>	.....	<u>2022</u>
\$	<u>373,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$30,000 for 2021 and \$279,000 for 2022.

The 2023 appropriation includes \$31,000 for 2022 and \$342,000 for 2023.

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$	<u>16,991,000</u>	.....	<u>2022</u>
\$	<u>17,450,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$1,903,000 for 2021 and \$15,088,000 for 2022.

The 2023 appropriation includes \$1,676,000 for 2022 and \$15,774,000 for 2023.

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$	<u>19,770,000</u>	.....	<u>2022</u>
\$	<u>19,906,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$1,910,000 for 2021 and \$17,860,000 for 2022.

The 2023 appropriation includes \$1,984,000 for 2022 and \$17,922,000 for 2023.

Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

\$	<u>65,000</u>	.....	<u>2022</u>
\$	<u>65,000</u>	.....	<u>2023</u>

Subd. 9. **Career and technical aid** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	<u>2,668,000</u>	.....	<u>2022</u>
\$	<u>2,279,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$323,000 for 2021 and \$2,345,000 for 2022.

The 2023 appropriation includes \$260,000 for 2022 and \$2,019,000 for 2023.

Subd. 10. **Pregnant and parenting pupil transportation reimbursement.** (a) To reimburse districts for transporting pregnant or parenting pupils under Minnesota Statutes, section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi):

\$	<u>56,000</u>	.....	<u>2022</u>
\$	<u>55,000</u>	.....	<u>2023</u>

(b) To receive reimbursement, districts must apply using the form and manner of application prescribed by the commissioner. If the appropriation is insufficient, the commissioner must prorate the amount paid to districts seeking reimbursement.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 11. **English learner cross subsidy reduction aid.** (a) For English learner cross subsidy reduction aid under section 9:

\$	<u>2,000,000</u>	.....	<u>2022</u>
\$	<u>2,000,000</u>	.....	<u>2023</u>

(b) The base for English learner cross subsidy reduction aid is \$2,000,000 for fiscal year 2024, \$2,000,000 for fiscal year 2025, and \$0 for fiscal year 2026 and later.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2020, section 120B.132, is amended to read:

120B.132 RAISED ACADEMIC ACHIEVEMENT; ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.

Subdivision 1. **Establishment; eligibility.** (a) A program is established to raise kindergarten through grade 12 academic achievement through increased student participation in preadvanced placement, advanced placement, and international baccalaureate programs, consistent with section 120B.13. Schools and charter schools eligible to participate under this section:

~~(1) must have a three-year plan approved by the local school board to establish a new international baccalaureate program leading to international baccalaureate authorization, expand an existing program that leads to international baccalaureate authorization, or expand an existing authorized international baccalaureate program; or~~

~~(2) must have a three-year plan approved by the local school board to create a new or expand an existing program to implement the college board advanced placement courses and exams or preadvanced placement initiative; and~~

~~(3) must propose to further raise students' academic achievement by:~~

~~(i) (1) increasing the availability of and all students' access to advanced placement or international baccalaureate courses or programs;~~

~~(ii) (2) expanding the breadth of advanced placement or international baccalaureate courses or programs that are available to students;~~

~~(iii) (3) increasing the number and the diversity of the students who participate in advanced placement or international baccalaureate courses or programs and succeed;~~

~~(iv) (4) providing low-income and other disadvantaged students with increased access to advanced placement or international baccalaureate courses and programs; or~~

~~(v) (5) increasing the number of high school students, including low-income and other disadvantaged students, who receive college credit by successfully completing advanced placement or international baccalaureate courses or programs and achieving satisfactory scores on related exams.~~

(b) Within 90 days of receiving a grant under this section, a school district or charter school must:

(1) adopt a three-year plan approved by the local school board to establish a new international baccalaureate program leading to international baccalaureate authorization, expand an existing program that leads to international baccalaureate authorization, or expand an existing authorized international baccalaureate program; or

(2) adopt a three-year plan approved by the local school board to create a new program or expand an existing program to implement the college board advanced placement courses and exams or preadvanced placement initiative.

Subd. 2. **Application and review process; funding priority.** (a) Charter schools and school districts in which eligible schools under subdivision 1 are located may apply to the commissioner, in the form and manner the commissioner determines, for competitive funding to further raise students' academic achievement. The application must detail the specific efforts the applicant intends to undertake in further raising students' academic achievement, consistent with subdivision 1, and a proposed budget detailing the district or charter school's current and proposed expenditures for advanced placement, preadvanced placement, and international baccalaureate courses and programs. The proposed budget must demonstrate that the applicant's efforts will support implementation of advanced placement, preadvanced placement, and international baccalaureate courses and programs.

Expenditures for administration must not exceed five percent of the proposed budget. Priority for advanced placement grants must be given to grantees who add or expand offerings of advanced placement computer science principles. The commissioner may require an applicant to provide additional information.

(b) When reviewing applications, the commissioner must determine whether the applicant satisfied all the requirements in this subdivision and subdivision 1. The commissioner may give funding priority to an otherwise qualified applicant that demonstrates:

(1) a focus on developing or expanding preadvanced placement, advanced placement, or international baccalaureate courses or programs or increasing students' participation in, access to, or success with the courses or programs, including the participation, access, or success of low-income and other disadvantaged students;

(2) a compelling need for access to preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(3) an effective ability to actively involve local business and community organizations in student activities that are integral to preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(4) access to additional public or nonpublic funds or in-kind contributions that are available for preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(5) an intent to implement activities that target low-income and other disadvantaged students;
or

(6) an intent to increase the advanced placement and international baccalaureate course offerings in science, technology, engineering, and math to low-income and other disadvantaged students.

Subd. 3. **Funding; permissible funding uses.** (a) The commissioner shall award grants to applicant school districts and charter schools that meet the requirements of subdivisions 1 and 2. The commissioner must award grants on an equitable geographical basis to the extent feasible and consistent with this section. Grant awards must not exceed ~~the lesser of:~~

~~(1) \$85 times the number of pupils enrolled at the participating sites on October 1 of the previous fiscal year;~~

~~(2) the approved supplemental expenditures based on the budget submitted under subdivision 2. For charter schools in their first year of operation, the maximum funding award must be calculated using the number of pupils enrolled on October 1 of the current fiscal year. The commissioner may adjust the maximum funding award computed using prior year data for changes in enrollment attributable to school closings, school openings, grade level reconfigurations, or school district reorganizations between the prior fiscal year and the current fiscal year; or~~

~~(3) \$150,000 \$75,000 per district or charter school.~~

(b) School districts and charter schools that submit an application and receive funding under this section must use the funding, consistent with the application, to:

(1) provide teacher training and instruction to more effectively serve students, including low-income and other disadvantaged students, who participate in preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(2) further develop preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(3) improve the transition between grade levels to better prepare students, including low-income and other disadvantaged students, for succeeding in preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(4) purchase books and supplies;

(5) pay course or program fees;

(6) increase students' participation in and success with preadvanced placement, advanced placement, or international baccalaureate courses or programs;

(7) expand students' access to preadvanced placement, advanced placement, or international baccalaureate courses or programs through online learning;

(8) hire appropriately licensed personnel to teach additional advanced placement or international baccalaureate courses or programs; or

(9) engage in other activities to expand low-income or disadvantaged students' access to, participation in, and success with preadvanced placement, advanced placement, or international baccalaureate courses or programs. Other activities may include but are not limited to preparing and disseminating promotional materials to low-income and other disadvantaged students and their families.

Subd. 4. Grants; annual reports. (a) Each school district and charter school that receives a grant under this section annually must collect demographic and other student data to demonstrate and measure the extent to which the district or charter school raised students' academic achievement under this program and must report the data to the commissioner in the form and manner the commissioner determines. The commissioner annually by February 15 must make summary data about this program available to the education policy and finance committees of the legislature.

(b) Each school district and charter school that receives a grant under this section annually must report to the commissioner, consistent with the Uniform Financial Accounting and Reporting Standards, its actual expenditures for advanced placement, preadvanced placement, and international baccalaureate courses and programs. The report must demonstrate that the school district or charter school has maintained its effort from other sources for advanced placement, preadvanced placement, and international baccalaureate courses and programs compared with the previous fiscal year, and the district or charter school has expended all grant funds, consistent with its approved budget.

(c) Notwithstanding any law to the contrary, a grant under this section is available for three years from the date of the grant if the district or charter school meets the annual benchmarks in its plan under subdivision 1.

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

Sec. 2. **REVISED ACADEMIC STANDARDS IMPLEMENTATION SUSPENSION.**

Notwithstanding Minnesota Statutes, section 120B.021, the commissioner of education must suspend until June 1, 2023, any implementation of revised academic standards not already implemented as of January 1, 2021, under Minnesota Statutes, section 120B.021. This suspension does not prevent the commissioner from continuing with current rulemaking activities or developing future statewide assessments.

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

Sec. 3. **DIGITAL WELL-BEING GRANT.**

Subdivision 1. Findings; grant. (a) The legislature finds that the negative effects of screen overuse and misuse impact the healthy development of young people. Research supports a growing amount of evidence on the effects of screen overuse and misuse on the following dimensions of well-being:

(1) physically, including sleep disturbances, eye strain, headaches, obesity, back and neck pain, and physiological changes in the brain;

(2) mentally, including depression, anxiety, suicidal ideation, and addictive tendencies;

(3) socially, including loneliness, social upward mobility comparison, nomophobia, sexting, cyberbullying, unfiltered access to pornography, and diminished social and interpersonal skills;

(4) emotionally, including emotional dysregulation, decreased ability to express empathy, and lowered self-esteem; and

(5) cognitive distraction, including diminished academic performance, decreased working memory, decrease in cognitive capacity and functioning, and increase in ADHD.

(b) The effects of screen overuse and misuse impact every generation, gender, race, and social class. Technology poses a greater detriment to underserved populations on social mobility comparisons, academic achievement, distraction by devices in the learning environment, compromised use of technology as a learning tool, reduced social and emotional learning skills, and lower levels of learning motivation and self-confidence.

(c) The negative effects of social media on young people include sleep disruption, increased cyberbullying and rumor spreading, increased depression and anxiety, declines in life satisfaction, loss of interest in daily activities with peers, increased tendency to send sexualized images, suicidal ideation, self-harming, and obesity.

(d) The commissioner of education must award a grant to LiveMore ScreenLess, a Minnesota-based organization that collaborates with communities to promote digital well-being. LiveMore ScreenLess must use the grant funds as described in subdivisions 2 to 5.

Subd. 2. Digital well-being resource hub. The grant to LiveMore ScreenLess must be used to support the development of a library of resources for young people, parents, schools, after-school

programs, and community-based organizations to serve Minnesota as the premiere resource for promoting digital well-being.

Subd. 3. **Network of organizations.** LiveMore ScreenLess must identify key local and national organizations focused on particular aspects of healthy screen use and healthy youth development, including the issues of cyberbullying, suicide prevention, mental health, antipornography, mindfulness, and social and emotional learning, in order to create a robust network for addressing digital well-being. LiveMore ScreenLess must collaborate, coordinate, and build upon Minnesota organizations and resources to address the effects of screen overuse and misuse with other advocates of young people.

Subd. 4. **Train-the-trainer series.** LiveMore ScreenLess must implement the digital well-being train-the-trainer series for all Minnesotans serving and advocating for young people in Minnesota, including youth development and leadership organizations, schools, community-based organizations, government sectors, and other related agencies.

Subd. 5. **Peer-to-peer training development.** LiveMore ScreenLess must deliver peer-to-peer training to develop young people as mentors and leaders to advocate and promote digital well-being among their peers and younger students.

Sec. 4. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$	<u>84,057,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>83,431,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$8,868,000 for 2021 and \$75,189,000 for 2022.

The 2023 appropriation includes \$8,353,000 for 2022 and \$75,078,000 for 2023.

Subd. 3. **American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$	<u>11,351,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>11,775,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$1,102,000 for 2021 and \$10,249,000 for 2022.

The 2023 appropriation includes \$1,138,000 for 2022 and \$10,637,000 for 2023.

Subd. 4. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124E.22:

\$	<u>93,547,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>99,819,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$8,617,000 for 2021 and \$84,930,000 for 2022.

The 2023 appropriation includes \$9,436,000 for 2022 and \$90,383,000 for 2023.

Subd. 5. **Civic education grants.** (a) For the Minnesota Civic Education Coalition for grants to Youth in Government, the Learning Law and Democracy Foundation, and the YMCA Center for Youth Voice to support civic education programs for youth age 18 and under to provide teacher professional development, educational resources, and program support:

\$	<u>75,000</u>	.....	<u>2022</u>
\$	<u>75,000</u>	.....	<u>2023</u>

(b) The programs must instruct students in:

(1) the constitutional principles and the democratic foundation of our national, state, and local institutions; and

(2) the political processes and structures of government, grounded in the understanding of constitutional government and individual rights.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2024 is \$0.

Subd. 6. **College entrance examination reimbursement.** (a) To reimburse districts for the costs of college entrance examination fees of free or reduced-price meal eligible students who take the ACT or SAT test under Minnesota Statutes, section 120B.30, subdivision 1, paragraph (e):

\$	<u>1,011,000</u>	.....	<u>2022</u>
\$	<u>1,011,000</u>	.....	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. **Concurrent enrollment aid.** (a) For concurrent enrollment aid under Minnesota Statutes, section 124D.091:

\$	<u>4,000,000</u>	.....	<u>2022</u>
\$	<u>4,000,000</u>	.....	<u>2023</u>

(b) If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each school district.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 8. **Early childhood literacy programs.** (a) For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

\$	<u>7,950,000</u>	.....	<u>2022</u>
\$	<u>7,950,000</u>	.....	<u>2023</u>

(b) Up to \$7,950,000 each year is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota reading corps program established by ServeMinnesota, including costs associated with training and teaching early literacy skills to children ages three through grade 3 and evaluating the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 9. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

\$	<u>4,500,000</u>	.....	<u>2022</u>
\$	<u>4,500,000</u>	.....	<u>2023</u>

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and International Baccalaureate Minnesota, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent of available appropriations, shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

(e) Any balance in the first year does not cancel but is available in the second year.

Subd. 10. **Girls in Action grant.** (a) For a grant to the Girls in Action program to enable Girls in Action to continue to provide and expand Twin Cities metropolitan area school and community-based programs that encourage and support low-income girls of color:

\$	<u>1,500,000</u>	.....	<u>2022</u>
\$	<u>0</u>	.....	<u>2023</u>

(b) Of the appropriated funds, \$1,000,000 must be used to sustain 16 current Girls in Action program sites and expand to reach an additional four sites in inner ring suburban communities with growing ethnic diversity among students.

(c) Of the appropriated funds, \$500,000 must be used to sustain three community-based Girls in Action programs for Asian, East African, and Latina girls in Hennepin, Ramsey, and Dakota

Counties, and to expand an additional two community-based programs in these counties to reach Native American and African American girls.

(d) Girls in Action programs supported by these funds must include programs focused on:

(1) increasing academic performance, high school graduation rates, and enrollment in postsecondary education for girls faced with social, demographic, racial, and economic barriers and challenges;

(2) increasing mentoring, literacy, career development, positive community engagement, and number of qualified female employees of color in the workforce pipeline, particularly in the science, technology, engineering, and mathematics fields;

(3) providing coaching, mentoring, health and wellness counseling, resources to girls whose experience with sexual assault has negatively impacted their academics and behavior, and culturally sensitive therapy resources and counseling services to sexual assault victims; and

(4) increasing financial literacy and knowledge of options for financing college or postsecondary education.

(e) This is a onetime appropriation.

(f) Any balance in the first year does not cancel but is available until June 30, 2024.

Subd. 11. Grants to increase science, technology, engineering, and math course offerings.

(a) For grants to schools to encourage low-income and other underserved students to participate in advanced placement and international baccalaureate programs according to Minnesota Statutes, section 120B.132:

\$	<u>250,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2023</u>

(b) The commissioner must consider grant applications from schools located in greater Minnesota and from schools located in the seven-county metropolitan area.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 12. Interdistrict desegregation or integration transportation grants. For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$	<u>12,310,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>14,823,000</u>	<u>.....</u>	<u>2023</u>

Subd. 13. Literacy incentive aid. For literacy incentive aid under Minnesota Statutes, section 124D.98:

\$	<u>45,075,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>45,968,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$4,463,000 for 2021 and \$40,612,000 for 2022.

The 2023 appropriation includes \$4,512,000 for 2022 and \$41,456,000 for 2023.

Subd. 14. **Minnesota Independence College and Community.** (a) For transfer to the Office of Higher Education for grants to Minnesota Independence College and Community for tuition reduction and institutional support:

\$	<u>625,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>625,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 15. **Minnesota math corps program.** (a) For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9:

\$	<u>1,000,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>1,000,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) The base for fiscal year 2024 and later is \$500,000.

Subd. 16. **Minnesota Principals Academy.** (a) For grants to the University of Minnesota College of Education and Human Development for the operation of the Minnesota Principals Academy:

\$	<u>200,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>200,000</u>	<u>.....</u>	<u>2023</u>

(b) Of these amounts, \$50,000 must be used to pay the costs of attendance for principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act. To the extent funds are available, the Department of Education is encouraged to use up to \$200,000 of federal Title II funds to support additional participation in the Principals Academy by principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 17. **Minnesota Youth Council.** (a) For grants to the Minnesota Alliance With Youth for the activities of the Minnesota Youth Council:

\$	<u>187,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>188,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) The base for fiscal year 2024 and later is \$0.

Subd. 18. **Museums and education centers.** (a) For grants to museums and education centers:

<u>\$</u>	<u>610,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>610,000</u>	<u>.....</u>	<u>2023</u>

(b) \$269,000 each year is for the Minnesota Children's Museum.

(c) \$50,000 each year is for the Minnesota Children's Museum, Rochester.

(d) \$50,000 each year is for the Duluth Children's Museum.

(e) \$41,000 each year is for the Minnesota Academy of Science.

(f) \$50,000 each year is for the Headwaters Science Center.

(g) \$50,000 in fiscal years 2022 and 2023 only is for the Children's Museum of Southern Minnesota.

(h) \$50,000 in fiscal years 2022 and 2023 only is for the Works Museum in Bloomington.

(i) \$50,000 in fiscal years 2022 and 2023 only is for the Children's Discovery Museum of Grand Rapids.

(j) A recipient of a grant under this subdivision must use the funds to encourage and increase access for historically underserved communities.

(k) Any balance in the first year does not cancel but is available in the second year.

(l) The base for fiscal year 2024 and later is \$460,000 for the museums and amounts indicated in paragraphs (b) to (f).

Subd. 19. **P-TECH schools.** (a) For P-TECH support grants under Minnesota Statutes, section 124D.093, subdivision 5:

<u>\$</u>	<u>791,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>791,000</u>	<u>.....</u>	<u>2023</u>

(b) The amounts in this subdivision are for grants to a public-private partnership that includes Independent School District No. 535, Rochester.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 20. **Recovery program grants.** (a) For recovery program grants under Minnesota Statutes, section 124D.695:

<u>\$</u>	<u>750,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>750,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 21. **Rural career and technical education consortium.** (a) For rural career and technical education consortium grants:

<u>\$</u>	<u>3,000,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>3,000,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 22. **Sanneh Foundation.** (a) For grants to the Sanneh Foundation for purposes of paragraph (b):

<u>\$</u>	<u>1,500,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>1,500,000</u>	<u>.....</u>	<u>2023</u>

(b) The grants to the Sanneh Foundation must be directed toward programs for low-performing and chronically absent students with a focus on low-income students and students of color. The goals of the grants include decreasing absenteeism, encouraging school engagement, improving grades, and improving graduation rates. The grants may be used to:

(1) provide all-day, in-school academic and behavioral interventions and social and emotional learning throughout the school year;

(2) provide year-round, out-of-school behavioral, social, and emotional learning interventions and enrichment activities;

(3) enhance career exploration opportunities, including exposure to businesses and business activities; and

(4) develop pathways in cooperation with businesses or higher education partners for participants to pursue careers in education and youth development.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2024 is \$0.

Subd. 23. **ServeMinnesota program.** (a) For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

<u>\$</u>	<u>900,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>900,000</u>	<u>.....</u>	<u>2023</u>

(b) A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time ServeMinnesota program to the extent such coverage is not otherwise available.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 24. **Starbase MN.** (a) For a grant to Starbase MN for a rigorous science, technology, engineering, and math (STEM) program providing students in grades 4 through 6 with a multisensory learning experience and a hands-on curriculum in an aerospace environment using state-of-the-art technology:

<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 25. **Statewide testing and reporting system.** (a) For the statewide testing and reporting system under Minnesota Statutes, section 120B.30:

<u>\$</u>	<u>9,692,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>9,692,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) The base in 2024 and 2025 is \$10,892,000 per year.

Subd. 26. **Student organizations.** (a) For student organizations:

<u>\$</u>	<u>768,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>768,000</u>	<u>.....</u>	<u>2023</u>

(b) \$46,000 each year is for student organizations serving health occupations (HOSA).

(c) \$100,000 each year is for student organizations serving trade and industry occupations (Skills USA, secondary and postsecondary).

(d) \$95,000 each year is for student organizations serving business occupations (BPA, secondary and postsecondary).

(e) \$193,000 each year is for student organizations serving agriculture occupations (FFA, PAS).

(f) \$185,000 each year is for student organizations serving family and consumer science occupations (FCCLA). Notwithstanding Minnesota Rules, part 3505.1000, subparts 28 and 31, the student organizations serving FCCLA shall continue to serve students younger than grade 9.

(g) \$109,000 each year is for student organizations serving marketing occupations (DECA and DECA collegiate).

(h) \$40,000 each year is for the Minnesota Foundation for Student Organizations.

(i) Any balance in the first year does not cancel but is available in the second year.

Subd. 27. **Tribal contract school aid.** For Tribal contract school aid under Minnesota Statutes, section 124D.83:

<u>\$</u>	<u>2,743,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>3,160,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$240,000 for 2021 and \$2,503,000 for 2022.

The 2023 appropriation includes \$278,000 for 2022 and \$2,882,000 for 2023.

Subd. 28. **Digital well-being.** (a) For a grant to LiveMore ScreenLess to promote digital well-being consistent with the provisions of section 3:

\$	<u>1,000,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>0</u>	<u>.....</u>	<u>2023</u>

(b) Prior to receiving funds under this subdivision, LiveMore ScreenLess must submit a proposed budget and timeline for expenditure of grant funds to the commissioner. LiveMore ScreenLess must submit regular progress reports in a form and manner determined by the commissioner in each year of the grant, which may include financial reconciliation of expenditures made by LiveMore ScreenLess.

(c) By January 15 of each year, LiveMore ScreenLess must submit a report detailing expenditures, activities, and outcomes to the commissioner and the chairs and ranking minority members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education policy and finance.

(d) Any balance in the first year does not cancel but is available in the second year. The base for fiscal year 2024 and later is \$0.

ARTICLE 3

TEACHERS

Section 1. [122A.59] COME TEACH IN MINNESOTA HIRING BONUSES.

Subdivision 1. **Purpose.** This section establishes a program to support districts and schools recruiting and offering hiring bonuses for licensed teachers who are American Indian or a person of color from another state or country in order to meet staffing needs in shortage areas in economic development regions in Minnesota.

Subd. 2. **Eligibility.** A district or school must verify that the hiring bonus is given to teachers licensed in another state who:

(1) qualify for a Tier 3 or Tier 4 Minnesota license;

(2) have moved to the economic development region in Minnesota where they were hired; and

(3) belong to a racial or ethnic group that is underrepresented among teachers compared to students in the district or school under section 120B.35, subdivision 3, paragraph (b), clause (2).

Subd. 3. **Bonus amount.** A district or school may offer a signing and retention bonus of a minimum of \$2,500 and a maximum of \$5,000 to a teacher who meets the eligibility requirements. A teacher who meets the eligibility requirements and meets a licensure shortage area in the economic development region of the state where the school is located may be offered a signing bonus of a minimum of \$4,000 and a maximum of \$8,000. A teacher must be paid half of the bonus when starting employment and half after completing four years of service in the hiring district or school if the teacher has demonstrated teaching effectiveness and is not on a professional improvement plan under section 122A.40, subdivision 8, paragraph (b), clause (12) or (13), or section 122A.41,

subdivision 5, paragraph (b), clause (12) or (13), or is not being considered for termination for a reason listed in section 122A.40, subdivision 9, including a teacher hired by a school district located in a city of the first class. A teacher who does not complete their first school year upon receiving a hiring bonus must repay the hiring bonus.

Subd. 4. **Administration.** The commissioner must establish a process for districts or schools to seek reimbursement for hiring bonuses given to teachers in shortage areas moving to and working in Minnesota schools experiencing specific shortages. The commissioner must provide guidance for districts to seek repayment of a hiring bonus from a teacher who does not complete the first year of employment. The department may conduct a pilot program with a small number of teachers during the 2022-2023 biennium to establish feasibility. The department must submit a report by December 1, 2022, to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education detailing the effectiveness of the program and recommendations for improvement in future years.

Subd. 5. **Come Teach in Minnesota Hiring Bonus program account.** (a) An account is established in the special revenue fund known as the "Come Teach in Minnesota Hiring Bonus program account."

(b) Funds appropriated for the Come Teach in Minnesota Hiring Bonus program under this section must be transferred to the Come Teach in Minnesota Hiring Bonus program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for hiring bonuses under this section. Any returned funds are available to be regranted.

(d) Up to \$35,000 annually is appropriated to the commissioner for costs associated with developing and administering the program under this section.

EFFECTIVE DATE. This section applies to teacher contracts entered into on or after July 1, 2021. Subdivision 5 is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2020, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. **Staff development revenue.** (a) A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for:

(1) teacher development and evaluation under section 122A.40, subdivision 8, or 122A.41, subdivision 5;

(2) principal development and evaluation under section 123B.147, subdivision 3;

(3) professional development under section 122A.60; ~~and~~

(4) in-service education for programs under section 120B.22, subdivision 2-; and

(5) teacher mentorship under section 122A.70, subdivision 1.

(b) To the extent extra funds remain, staff development revenue may be used for staff development plans, including plans for challenging instructional activities and experiences under

section 122A.60, and for curriculum development and programs, other in-service education, ~~teachers' mentoring under section 122A.70 and evaluation~~, teachers' workshops, teacher conferences, the cost of substitute teachers for staff development purposes, preservice and in-service education for special education professionals and paraprofessionals, and other related costs for staff development efforts.

(c) A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 3. Minnesota Statutes 2020, section 122A.63, subdivision 6, is amended to read:

Subd. 6. ~~Eligibility for scholarships~~ **Eligible students.** (a) ~~The following American Indian people are eligible for scholarships~~ An eligible student is a person who:

(1) ~~a student having~~ has origins in any of the original peoples of North America and ~~maintaining~~ maintains cultural identification through tribal affiliation or community recognition; and

(2) is:

(i) a student, including a teacher aide employed by a district receiving a joint grant or their contracted partner school, who intends to become a teacher or ~~who~~ is interested in the field of education, and ~~who~~ is enrolled in a postsecondary institution ~~or their contracted partner institutions receiving a joint grant~~;

~~(3)~~ (ii) a licensed employee of a district receiving a joint grant or a contracted partner institution, who is enrolled in a master of education program; ~~and~~ or

~~(4)~~ (iii) a student who, after applying for federal and state financial aid and an American Indian scholarship according to section 136A.126, has financial needs that remain unmet. Financial need must be determined according to the congressional methodology for needs determination or as otherwise set in federal law.

(b) Priority must be given first to a student eligible students who is are tribally enrolled in a federally or state recognized Tribe and then to first- and second-generation descendants.

Sec. 4. Minnesota Statutes 2020, section 122A.63, subdivision 9, is amended to read:

Subd. 9. **Eligible programming.** (a) The grantee institutions ~~and their contracted partner institutions~~ may provide scholarships to eligible students progressing toward educational goals in any area of teacher licensure, including an associate's, bachelor's, master's, or doctoral degree in the following:

(1) any educational certification necessary for employment;

(2) early childhood family education or prekindergarten licensure;

(3) elementary and secondary education;

(4) school administration; or

(5) any educational program that provides services to American Indian students in prekindergarten through grade 12.

(b) Scholarships may be used to cover an eligible student's cost of attendance under section 136A.126, subdivision 3.

~~(b)~~ (c) For purposes of recruitment, the grantees or their contracted partner institutions must agree to work with their respective organizations to hire an American Indian work-study student or other American Indian staff to conduct initial information queries and to contact persons working in schools to provide programming regarding education professions to high school students who may be interested in education as a profession.

~~(c)~~ (d) At least 80 percent of the grants awarded under this section must be used for student scholarships. No more than 20 percent of the grants awarded under this section may be used for recruitment or administration of the student scholarships.

Sec. 5. Minnesota Statutes 2020, section 122A.70, is amended to read:

122A.70 TEACHER MENTORSHIP AND RETENTION OF EFFECTIVE TEACHERS.

Subdivision 1. **Teacher mentoring, induction, and retention programs.** (a) School districts ~~are encouraged to~~ must develop teacher mentoring programs for teachers new to the profession or district, including teaching residents, teachers of color, teachers who are American Indian, teachers in license shortage areas, teachers with special needs, or experienced teachers in need of peer coaching.

(b) Teacher mentoring programs must be included in or aligned with districts' teacher evaluation and peer review processes under sections 122A.40, subdivision 8, and 122A.41, subdivision 5. A district may use staff development revenue under section 122A.61, special grant programs established by the legislature, or another funding source to pay a stipend to a mentor who may be a current or former teacher who has taught at least three years and is not on an improvement plan. Other initiatives using such funds or funds available under sections 124D.861 and 124D.862 may include:

(1) additional stipends as incentives to mentors of color or who are American Indian;

(2) financial supports for professional learning community affinity groups across schools within and between districts for teachers from underrepresented racial and ethnic groups to come together throughout the school year. For purposes of this section, "affinity groups" are groups of educators who share a common racial or ethnic identity in society as persons of color or who are American Indian;

(3) programs for induction aligned with the district or school mentorship program during the first three years of teaching, especially for teachers from underrepresented racial and ethnic groups; or

(4) grants supporting licensed and nonlicensed educator participation in professional development, such as workshops and graduate courses, related to increasing student achievement for students of color and American Indian students in order to close opportunity and achievement gaps.

(c) A school or district that receives a grant must negotiate additional retention strategies or protection from unrequested leave of absences in the beginning years of employment for teachers of color and teachers who are American Indian. Retention strategies may include providing financial incentives for teachers of color and teachers who are American Indian to work in the school or district for at least five years and placing American Indian educators at sites with other American Indian educators and educators of color at sites with other educators of color to reduce isolation and increase opportunity for collegial support.

Subd. 2. **Applications Board grants.** The Professional Educator Licensing and Standards Board must make grant application forms available to sites interested in developing or expanding a mentorship program. A school district; a group of school districts; a coalition of districts, teachers, and teacher education institutions; or a coalition of schools, teachers, or nonlicensed educators may apply for a program grant. The Professional Educator Licensing and Standards Board, in consultation with the teacher mentoring task force, must approve or disapprove the applications. To the extent possible, the approved applications must reflect effective mentoring, professional development, and retention components, and be geographically distributed throughout the state. The Professional Educator Licensing and Standards Board must encourage the selected sites to consider the use of its assessment procedures.

Subd. 3. **Criteria for selection.** At a minimum, applicants for grants under subdivision 2 must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions;
- (6) provide facilities and other resources;
- (7) share findings, materials, and techniques with other school districts; and
- (8) retain teachers of color and teachers who are American Indian.

Subd. 4. **Additional funding.** Grant applicants ~~are required to~~ must seek additional funding and assistance from sources such as school districts, postsecondary institutions, foundations, and the private sector.

Subd. 5. **Program implementation.** New and expanding mentorship sites that ~~are funded~~ receive a board grant under subdivision 2 to design, develop, implement, and evaluate their program must participate in activities that support program development and implementation. ~~The Professional Educator Licensing and Standards Board must provide resources and assistance to support new sites~~

~~in their program efforts. These activities and services may include, but are not limited to: planning, planning guides, media, training, conferences, institutes, and regional and statewide networking meetings. Nonfunded schools or districts interested in getting started may participate. Fees may be charged for meals, materials, and the like.~~

Subd. 6. **Report.** By June 30 of each year after receiving a grant, recipients must submit a report to the Professional Educator Licensing and Standards Board on program efforts that describes mentoring and induction activities and assesses the impact of these programs on teacher effectiveness and retention.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 6. [122A.73] GRANTS FOR GROW YOUR OWN PROGRAMS.

Subdivision 1. Establishment. The commissioner of education must award grants for Grow Your Own programs established under this section in order to develop a teaching workforce that more closely reflects the state's increasingly diverse student population and ensure all students have equitable access to effective and diverse teachers.

Subd. 2. Grow Your Own district programs. (a) A school district may apply for a grant for a Professional Educator Licensing and Standards Board-approved teacher preparation program. The grant recipient must use at least 80 percent of grant funds to provide tuition scholarships or stipends to enable school district employees or community members affiliated with a school district, who are of color or American Indian and who seek a teaching license, to participate in the teacher preparation program.

(b) A district using grant funds under this subdivision to provide financial support to teacher candidates may require a commitment as determined by the district to teach in the district for a reasonable amount of time that does not exceed five years.

Subd. 3. Grants for programs serving secondary school students. (a) In addition to grants for developing and offering dual-credit postsecondary course options in schools for "Introduction to Teaching" or "Introduction to Education" courses under section 124D.09, subdivision 10, a school district or charter school may apply for grants under this section to offer other innovative programs that encourage secondary school students, especially students of color and American Indian students, to pursue teaching. To be eligible for a grant under this subdivision, a school district or charter school must ensure that the aggregate percentage of secondary school students of color and American Indian students participating in the program is equal to or greater than the aggregate percentage of students of color and American Indian students in the school district or charter school.

(b) A grant recipient must use grant funds awarded under this subdivision for:

(1) supporting future teacher clubs or service-learning opportunities that provide middle and high school students with experiential learning that supports the success of younger students or peers and increases students' interest in pursuing a teaching career;

(2) providing direct support, including wrap-around services, for students who are of color or American Indian to enroll and be successful in postsecondary enrollment options courses under section 124D.09 that would meet degree requirements for teacher licensure; or

(3) offering scholarships to graduating high school students who are of color or American Indian to enroll in board-approved undergraduate teacher preparation programs at a college or university in Minnesota.

Subd. 4. **Grant procedure.** (a) A district must apply for a grant under this section in the form and manner specified by the commissioner. The commissioner must give priority to districts with the highest total number or percentage of students who are of color or American Indian. To the extent that there are sufficient applications, the commissioner must, to the extent practicable, award an equal number of grants between districts in greater Minnesota and those in the Twin Cities metropolitan area.

(b) For the 2022-2023 school year and later, grant applications for new and existing programs must be received by the commissioner no later than January 15 of the year prior to the school year in which the grant will be used. The commissioner must review all applications and notify grant recipients by March 15 or as soon as practicable of the anticipated amount awarded. If the commissioner determines that sufficient funding is unavailable for the grants, the commissioner must notify grant applicants by June 30 or as soon as practicable that there are insufficient funds.

(c) For the 2021-2022 school year, the commissioner must set a timetable for awarding grants as soon as practicable.

Subd. 5. **Grow Your Own program account.** (a) An account is established in the special revenue fund known as the "Grow Your Own program account."

(b) Funds appropriated for the Grow Your Own program under this section must be transferred to the Grow Your Own program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for the Grow Your Own program under this section. Any returned funds are available to be regranted. Grant recipients may apply to use grant money over a period of up to 60 months.

(d) Up to \$100,000 annually is appropriated to the commissioner for costs associated with administering and monitoring the program under this section.

Subd. 6. **Report.** Grant recipients must annually report to the commissioner in the form and manner determined by the commissioner on their activities under this section, including the number of participants, the percentage of participants who are of color or American Indian, and an assessment of program effectiveness, including participant feedback, areas for improvement, the percentage of participants continuing to pursue teacher licensure, and where applicable, the number of participants hired in the school or district as teachers after completing preparation programs. The commissioner must publish a report for the public that summarizes the activities and outcomes of grant recipients and what was done to promote sharing of effective practices among grant recipients and potential grant applicants.

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

Sec. 7. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Black Men Teach Twin Cities grant.** (a) For transfer to the Office of Higher Education for a grant to Black Men Teach Twin Cities to establish partnerships with eight school district elementary schools or elementary charter schools with a goal of increasing the number of black male teachers to 20 percent of the employees at each school site:

\$	<u>750,000</u>	.....	<u>2022</u>
\$	<u>0</u>	.....	<u>2023</u>

(b) Any balance does not cancel but is available until June 30, 2024. The base for fiscal year 2024 and later is \$0.

(c) The grant recipient must provide a detailed report to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education and kindergarten through grade 12 education by January 15 of each year until 2025 describing how the grant funds were used. The report must describe the progress made toward the goal of increasing the number of black male teachers at each school site and strategies used.

Subd. 3. **Statewide concurrent enrollment teacher training program.** (a) For the concurrent enrollment teacher partnership under Minnesota Statutes, section 122A.76:

\$	<u>375,000</u>	.....	<u>2022</u>
\$	<u>375,000</u>	.....	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 4. **Grow Your Own.** (a) For grants to develop, continue, or expand Grow Your Own new teacher programs under Minnesota Statutes, section 122A.73:

\$	<u>6,500,000</u>	.....	<u>2022</u>
\$	<u>6,500,000</u>	.....	<u>2023</u>

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.73, subdivision 5.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 5. **Nonexclusionary discipline.** (a) For grants to school districts and charter schools to provide training for school staff on nonexclusionary disciplinary practices:

\$	<u>1,750,000</u>	.....	<u>2022</u>
\$	<u>0</u>	.....	<u>2023</u>

(b) Grants are to develop training and to work with schools to train staff on nonexclusionary disciplinary practices that maintain the respect, trust, and attention of students and help keep students in classrooms. These funds may also be used for grant administration.

(c) Eligible grantees include school districts, charter schools, intermediate school districts, and cooperative units as defined in section 123A.24, subdivision 2.

(d) Any balance in the first year does not cancel but is available in the second year.

(e) The base for fiscal year 2024 and later is \$0.

Subd. 6. **Expanded concurrent enrollment grants.** (a) For grants to institutions offering "Introduction to Teaching" or "Introduction to Education" college in the schools courses under Minnesota Statutes, section 124D.09, subdivision 10, paragraph (b):

\$	<u>500,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>500,000</u>	<u>.....</u>	<u>2023</u>

(b) The department may retain up to five percent of the appropriation amount to monitor and administer the grant program.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$	<u>88,896,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>88,898,000</u>	<u>.....</u>	<u>2023</u>

(b) The 2022 appropriation includes \$8,877,000 for 2021 and \$80,019,000 for 2022.

(c) The 2023 appropriation includes \$8,891,000 for 2022 and \$80,007,000 for 2023.

Subd. 8. **Agricultural educator grants.** (a) For agricultural educator grants under Laws 2017, First Special Session chapter 5, article 2, section 51:

\$	<u>250,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 9. **American Indian teacher preparation grants.** (a) For joint grants to assist people who are American Indian to become teachers under Minnesota Statutes, section 122A.63:

\$	<u>600,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>600,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 10. **Come Teach in Minnesota hiring bonuses.** (a) For the Come Teach in Minnesota hiring bonuses pilot program under Minnesota Statutes, section 122A.59:

\$	<u>200,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>200,000</u>	<u>.....</u>	<u>2023</u>

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.59, subdivision 5.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 11. **Language Essentials for Teachers of Reading and Spelling grant.** (a) For grants to Minnesota licensed teachers to complete the Language Essentials for Teachers of Reading and Spelling (LETRS) program:

\$	<u>3,000,000</u>	.....	<u>2022</u>
\$	<u>0</u>	.....	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) The base for fiscal year 2024 and later is \$0.

Sec. 8. **APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated.

Subd. 2. **Collaborative urban and greater Minnesota educators of color grants.** (a) For collaborative urban and greater Minnesota educators of color grants under Minnesota Statutes, section 122A.635:

\$	<u>1,000,000</u>	.....	<u>2022</u>
\$	<u>1,000,000</u>	.....	<u>2023</u>

(b) The board may retain up to \$30,000 of the appropriation amount in each fiscal year to monitor and administer the grant program and a portion of these funds may be transferred to the Office of Higher Education as determined by the executive director of the board and the commissioner to support the administration of the program.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 3. **Mentoring, induction, and retention incentive program grants for teachers of color.** (a) For the development and expansion of mentoring, induction, and retention programs designed for teachers of color or American Indian teachers under Minnesota Statutes, section 122A.70:

\$	<u>3,004,000</u>	.....	<u>2022</u>
\$	<u>2,996,000</u>	.....	<u>2023</u>

(b) Any balance does not cancel but is available in the following fiscal year.

(c) The base appropriation for grants under Minnesota Statutes, section 122A.70, for fiscal year 2024 and later is \$2,996,000, of which at least \$2,330,000 each fiscal year must be granted for the development and expansion of mentoring, induction, and retention programs designed for teachers of color or American Indian teachers.

(d) The board may retain up to three percent of the appropriation amount to monitor and administer the grant program.

Subd. 4. **Teacher recruitment marketing campaign.** (a) To develop contracts to develop and implement an outreach and marketing campaign under this subdivision:

<u>\$</u>	<u>250,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>250,000</u>	<u>.....</u>	<u>2023</u>

(b) The Professional Educator Licensing and Standards Board must issue a request for proposals to develop and implement an outreach and marketing campaign to elevate the profession and recruit teachers, especially teachers of color and American Indian teachers. Outreach efforts should include and support current and former Teacher of the Year finalists interested in being recruitment fellows to encourage prospective educators throughout the state.

(c) The outreach and marketing campaign must focus on making the following individuals become interested in teaching in Minnesota public schools:

(1) high school and college students of color or American Indian students who have not chosen a career path; or

(2) adults from racial or ethnic groups underrepresented in the teacher workforce who may be seeking to change careers.

(d) The board must award grants each year to firms or organizations that demonstrate capacity to reach wide and varied audiences of prospective teachers based on a work plan with quarterly deliverables. Preferences should be given to firms or organizations that are led by people of color and that have people of color working on the campaign with a proven record of success. The grant recipients must recognize current pathways or programs to become a teacher and must partner with educators, schools, institutions, and racially diverse communities. The grant recipients are encouraged to provide in-kind contributions or seek funds from nonstate sources to supplement the grant award.

(e) The board may use no more than three percent of the appropriation amount to administer the program under this subdivision, and may have an interagency agreement with the Department of Education including transfer of funds to help administer the program.

(f) Any balance in the first year does not cancel but is available in the second year.

EFFECTIVE DATE. This section is effective July 1, 2021.

ARTICLE 4

CHARTER SCHOOLS

Section 1. Minnesota Statutes 2020, section 124E.03, is amended by adding a subdivision to read:

Subd. 9. **Corporal punishment.** A charter school is subject to and must comply with section 121A.58 as though it were a district.

Sec. 2. Minnesota Statutes 2020, section 124E.05, subdivision 6, is amended to read:

Subd. 6. **Corrective action.** (a) If, consistent with this chapter, the commissioner finds that an authorizer has not met the requirements of this chapter, the commissioner may subject the authorizer to a corrective action plan, which may ~~include terminating the contract with the charter school board of directors of a school it chartered.~~ last no longer than 130 business days. The commissioner may prohibit an authorizer on a corrective plan from accepting a transfer application from a charter school and an application to establish a charter school.

(b) The commissioner must notify the authorizer in writing of that the authorizer has been placed on a corrective plan. The notice must include any findings that may subject the authorizer to corrective action at the conclusion of the corrective plan and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action. The commissioner must hold an informal hearing within 15 business days of the request. If the issues identified as the basis for the corrective action are not resolved at the informal hearing, the authorizer must make the requested improvements and notify the commissioner of the improvements within 45 business days. Within 20 business days, the commissioner must review the changes and notify the authorizer of any remaining issues to be resolved. An authorizer must address the remaining issues as directed by the commissioner within 20 business days. Within 15 business days, the commissioner must review the changes and notify the authorizer whether all issues in the corrective plan have been resolved.

(c) If the commissioner terminates a contract between an authorizer and a charter school under this paragraph the authorizer's ability to charter a school, the commissioner may must assist the affected charter school in acquiring a new authorizer. A charter school board of directors may submit to the commissioner a request to transfer to a new authorizer without the approval or consent of the current authorizer if that authorizer has been under a corrective action plan for more than 130 business days.

~~(b)~~ (d) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school, terminating a contract with a charter school, and other appropriate sanctions for:

(1) failing to demonstrate the criteria under subdivision 3 under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors;

(3) unsatisfactory performance as an approved authorizer; ~~or~~

(4) any good cause shown that gives the commissioner a legally sufficient reason to take corrective action against an authorizer; or

(5) failing to meet the terms of a corrective action plan by the specified deadline.

EFFECTIVE DATE. This section is effective July 1, 2022.

ARTICLE 5**SPECIAL EDUCATION****Section 1. SPECIAL EDUCATION RECOVERY SERVICES AND SUPPORTS.**

Subdivision 1. **Special education recovery.** The commissioner of education, school districts, and charter schools must collaborate with families of students with disabilities as provided in this section to address the impact of disruptions to in-person instruction on students' access to a free appropriate public education related to the COVID-19 pandemic.

Subd. 2. **Special education services and supports.** (a) A school district or charter school that serves one or more students with disabilities must invite the parents of a student with a disability to a meeting of each individualized education program (IEP) team as soon as practicable but no later than December 1, 2021, to determine whether special education services and supports are necessary to address lack of progress on IEP goals or in the general education curriculum or loss of learning or skills due to disruptions related to the COVID-19 pandemic. The services and supports may include but are not limited to extended school year services, additional IEP services, compensatory services, or other appropriate services. This meeting may occur in an annual or other regularly scheduled IEP meeting. If the IEP team determines that the services and supports are necessary, the team shall determine what services and supports are appropriate for the student and when and how those services should be provided, in accordance with relevant guidance from the Minnesota Department of Education and the United States Department of Education. The services and supports must be included in the IEP of the student. A district or charter school must report to the commissioner, in the form and manner determined by the commissioner, the services and supports provided to students with disabilities under this section, including the cost of providing the services.

(b) In determining whether a student is eligible for services and supports described in paragraph (a), and what services and supports are appropriate for the student, the IEP team must consider, in conjunction with any other considerations advised by guidance from the Minnesota Department of Education or the United States Department of Education:

(1) services and supports provided to the student before the disruptions to in-person instruction related to the COVID-19 pandemic;

(2) the ability of the student to access services and supports;

(3) the student's progress toward IEP goals, including the goals in the IEP in effect before disruptions to in-person instruction related to the COVID-19 pandemic, and progress in the general education curriculum;

(4) the student's regression or lost skills resulting from disruptions to instruction;

(5) other significant influences on the student's ability to participate in and benefit from instruction related to the COVID-19 pandemic, including family loss, changed family circumstances, other trauma, and illness; and

(6) the types of services and supports that would benefit the student and improve the student's ability to benefit from school, including academic supports, behavioral supports, mental health supports, related services, and other services and supports.

(c) When considering how and when the services and supports described in paragraph (a) should be provided, the IEP team must take into account the timing and delivery method most appropriate for the student, such as time of day, day of the week, or time of year, and the availability of other services accessible to the student to address learning loss. The IEP team may determine that providers in addition to school district or charter school staff are most appropriate to provide the services and supports described in paragraph (a).

(d) A school district or charter school must make available the services and supports included in an IEP, as described in paragraph (a), until the IEP team determines that services and supports are no longer necessary to address lack of progress on IEP goals or in the general education curriculum or loss of learning or skills due to disruptions related to the COVID-19 pandemic.

(e) A school district providing special education services on a shared time basis to a student enrolled in a nonpublic school must offer the student special education services and supports in accordance with this section.

(f) The commissioner may identify school district, charter school, and cooperative unit pandemic-related expenses incurred under this section, and if the commissioner determines the costs are eligible for funding using the additional funds set aside under the American Rescue Plan Act, section 2014, for the Individuals with Disabilities Education Act, the commissioner may allocate the federal funds for 100 percent of the costs of the services provided under this section and exclude these expenses from state special education aid under Minnesota Statutes, sections 125A.76 and 125A.79.

Sec. 2. REPORT ON BEHAVIORAL HEALTH SERVICES REIMBURSEMENT.

The commissioners of education and human services shall consult with stakeholders to identify strategies to streamline access and reimbursement for behavioral health services for children with an individualized education program or an individualized family service plan who are enrolled in medical assistance and, whenever possible, avoid duplication of services and procedures. The commissioners shall identify strategies to reduce administrative burden for schools while ensuring continuity of care for student's accessing services when not in school and shall review models in other states. The commissioners shall provide an update, including any recommendations for statutory changes, to the chairs and ranking minority members of the committees with jurisdiction over kindergarten through grade 12 education and human services by November 1, 2021.

Sec. 3. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$	<u>1,822,998,000</u>	.....	<u>2022</u>
\$	<u>1,945,533,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$215,125,000 for 2021 and \$1,607,873,000 for 2022.

The 2023 appropriation includes \$226,342,000 for 2022 and \$1,719,191,000 for 2023.

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:

\$	<u>1,818,000</u>	.....	<u>2022</u>
\$	<u>2,010,000</u>	.....	<u>2023</u>

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	<u>465,000</u>	.....	<u>2022</u>
\$	<u>512,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$23,000 for 2021 and \$442,000 for 2022.

The 2023 appropriation includes \$49,000 for 2022 and \$463,000 for 2023.

Subd. 5. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$	<u>24,000</u>	.....	<u>2022</u>
\$	<u>25,000</u>	.....	<u>2023</u>

Subd. 6. **Special education out-of-state tuition.** For special education out-of-state tuition under Minnesota Statutes, section 125A.79, subdivision 8:

\$	<u>250,000</u>	.....	<u>2022</u>
\$	<u>250,000</u>	.....	<u>2023</u>

Subd. 7. **Onetime special education cross subsidy aid.** (a) For onetime special education cross subsidy aid:

\$	<u>10,425,000</u>	<u>2022</u>
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(b) The onetime special education cross subsidy aid for each school district equals the ratio of the school district's initial special education cross subsidy in fiscal year 2021, as defined in Minnesota Statutes, section 125A.76, subdivision 1, to the total initial special education cross subsidy in fiscal year 2021 for all districts.

ARTICLE 6**HEALTH AND SAFETY**

Section 1. Minnesota Statutes 2020, section 120B.21, is amended to read:

120B.21 MENTAL HEALTH EDUCATION.

School districts and charter schools are encouraged to provide mental health instruction for students in grades 4 through 12 aligned with local health standards and integrated into existing programs, curriculum, or the general school environment of a district or charter school. The commissioner, in consultation with the commissioner of human services, commissioner of health, and mental health organizations, must, by July 1, 2020, and July 1 of each even-numbered year thereafter, provide districts and charter schools with resources gathered by Minnesota mental health advocates, including:

(1) age-appropriate model learning activities for grades 4 through 12 that encompass the mental health components of the National Health Education Standards and the benchmarks developed by the department's quality teaching network in health and best practices in mental health education; and

(2) a directory of resources for planning and implementing age-appropriate mental health curriculum and instruction in grades 4 through 12 that includes resources on suicide and self-harm prevention. A district or charter school providing instruction or presentations on preventing suicide or self-harm must use either the resources provided by the commissioner or other evidence-based instruction.

Sec. 2. [121A.24] SEIZURE TRAINING AND ACTION PLAN.

Subdivision 1. **Seizure action plan.** (a) For purposes of this section, "seizure action plan" means a written individualized health plan designed to acknowledge and prepare for the health care needs of a student with a seizure disorder diagnosed by the student's treating licensed health care provider.

(b) The requirements of this subdivision apply to a school district or charter school where an enrolled student's parent or guardian has notified the school district or charter school that the student has a diagnosed seizure disorder and has seizure rescue medication or medication prescribed by the student's licensed health care provider to treat seizure disorder symptoms approved by the United States Food and Drug Administration. The parent or guardian of a student with a diagnosed seizure disorder must collaborate with school personnel to implement the seizure action plan.

(c) A seizure action plan must:

(1) identify a school nurse or a designated individual at each school site who is on duty during the regular school day and can administer or assist with the administration of seizure rescue medication or medication prescribed to treat seizure disorder symptoms approved by the United States Food and Drug Administration;

(2) require training on seizure medications for an employee identified under clause (1), recognition of signs and symptoms of seizures, and appropriate steps to respond to seizures;

(3) be provided to the person identified under clause (1); and

(4) be filed in the office of the school principal or licensed school nurse or, in the absence of a licensed school nurse, a professional nurse or designated individual.

(d) A school district or charter school employee or volunteer responsible for the supervision or care of a student with a diagnosed seizure disorder must be given notice and a copy of the seizure action plan, the name or position of the employee identified under paragraph (c), clause (1), and the method by which the trained school employee may be contacted in an emergency.

Subd. 2. **Training requirements.** A school district or charter school must provide all licensed school nurses or, in the absence of a licensed school nurse, a professional nurse or designated individual, and other school staff working with students with self-study materials on seizure disorder signs, symptoms, medications, and appropriate responses.

EFFECTIVE DATE. This section is effective for the 2022-2023 school year and later.

Sec. 3. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education in the fiscal years designated.

Subd. 2. **Suicide prevention training for teachers.** (a) For transfer to the commissioner of health for a grant to a nationally recognized provider of evidence-based online training on suicide prevention and engagement of students experiencing mental distress:

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(b) Training funded by the grant must be accessible to teachers in every school district, charter school, intermediate school district, service cooperative, and Tribal school in Minnesota.

(c) The grant recipient must report to the commissioner of health the number of teachers completing the online training, average length of time to complete training, and length of average stay using the online training. The commissioner must survey online training users to determine their perception of the online training. By January 8, 2023, the commissioner must report the grant recipient's information and the survey results to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education and suicide prevention.

(d) This is a onetime appropriation and is available until June 30, 2023.

ARTICLE 7

FACILITIES

Section 1. **[121A.336] NOTIFICATION OF ENVIRONMENTAL HAZARDS.**

Upon notification by the Department of Health or Pollution Control Agency to a school district, charter school, or nonpublic school of environmental hazards that may affect the health of students or school staff, the school must notify school staff, students, and parents of the hazards as soon as

practicable. The notice must include direction on how to obtain additional information about the hazard, including any actions that may reduce potential harm to those affected by the hazard.

Sec. 2. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Debt service equalization aid.** For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$	<u>25,001,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>24,286,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$2,588,000 for 2021 and \$22,413,000 for 2022.

The 2023 appropriation includes \$2,490,000 for 2022 and \$21,796,000 for 2023.

Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$	<u>108,582,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>111,077,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$10,660,000 for 2021 and \$97,922,000 for 2022.

The 2023 appropriation includes \$10,880,000 for 2022 and \$100,197,000 for 2023.

Subd. 4. **Equity in telecommunications access.** (a) For equity in telecommunications access:

\$	<u>3,750,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>3,750,000</u>	<u>.....</u>	<u>2023</u>

(b) If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2022 and 2023 shall be prorated.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 5. **Maximum effort loan aid.** For aid payments to schools under Minnesota Statutes, section 477A.09.

\$	<u>3,288,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>0</u>	<u>.....</u>	<u>2023</u>

The base for fiscal year 2024 is \$0.

ARTICLE 8**NUTRITION AND LIBRARIES**

Section 1. Minnesota Statutes 2020, section 124D.111, is amended to read:

124D.111 SCHOOL MEALS POLICIES; LUNCH AID; FOOD SERVICE ACCOUNTING.

Subdivision 1. **School ~~lunch-aid-computation~~ meals policies.** (a) Each Minnesota participant in the national school lunch program must adopt and post to its website, or the website of the organization where the meal is served, a school meals policy.

(b) The policy must be in writing and clearly communicate student meal charges when payment cannot be collected at the point of service. The policy must be reasonable and well-defined and maintain the dignity of students by prohibiting lunch shaming or otherwise ostracizing the student.

(c) The policy must address whether the participant uses a collections agency to collect unpaid school meals debt.

(d) The policy must ensure that once a participant has placed a meal on a tray or otherwise served the meal to a student, the meal may not be subsequently withdrawn from the student by the cashier or other school official, whether or not the student has an outstanding meals balance.

(e) The policy must ensure that a student who has been determined eligible for free and reduced-price lunch must always be served a reimbursable meal even if the student has an outstanding debt.

(f) If a school contracts with a third party for its meal services, it must provide the vendor with its school meals policy. Any contract between the school and a third-party provider entered into or modified after July 1, 2021, must ensure that the third-party provider adheres to the participant's school meals policy.

Subd. 1a. School lunch aid amounts. Each school year, the state must pay participants in the national school lunch program the amount of 12.5 cents for each full paid and free student lunch and 52.5 cents for each reduced-price lunch served to students.

Subd. 2. Application. A school district, charter school, nonpublic school, or other participant in the national school lunch program shall apply to the department for this payment on forms provided by the department.

Subd. 2a. Federal child and adult care food program; criteria and notice. The commissioner must post on the department's website eligibility criteria and application information for nonprofit organizations interested in applying to the commissioner for approval as a multisite sponsoring organization under the federal child and adult care food program. The posted criteria and information must inform interested nonprofit organizations about:

(1) the criteria the commissioner uses to approve or disapprove an application, including how an applicant demonstrates financial viability for the Minnesota program, among other criteria;

(2) the commissioner's process and time line for notifying an applicant when its application is approved or disapproved and, if the application is disapproved, the explanation the commissioner provides to the applicant; and

(3) any appeal or other recourse available to a disapproved applicant.

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program

charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

Subd. 4. **No fees.** A participant that receives school lunch aid under this section must make lunch available without charge and must not deny a school lunch to all participating students who qualify for free or reduced-price meals, whether or not that student has an outstanding balance in the student's meals account attributable to a la carte purchases or for any other reason.

Subd. 5. **Respectful treatment.** (a) The participant must also provide meals to students in a respectful manner according to the policy adopted under subdivision 1. The participant must ensure that any reminders for payment of outstanding student meal balances do not demean or stigmatize any child participating in the school lunch program-, including but not limited to dumping meals, withdrawing a meal that has been served, announcing or listing students' names publicly, or affixing stickers, stamps, or pins. The participant must not impose any other restriction prohibited under section 123B.37 due to unpaid student meal balances. The participant must not limit a student's participation in any school activities, graduation ceremonies, field trips, athletics, activity clubs, or other extracurricular activities or access to materials, technology, or other items provided to students due to an unpaid student meal balance.

(b) If the commissioner or the commissioner's designee determines a participant has violated the requirement to provide meals to participating students in a respectful manner, the commissioner or the commissioner's designee must send a letter of noncompliance to the participant. The participant is required to respond and, if applicable, remedy the practice within 60 days.

Sec. 2. **SCHOOL NUTRITION FORMULAS ADJUSTED.**

(a) Notwithstanding any law to the contrary, for school meals served during the 2020-2021 school year, the commissioner of education may adjust the appropriations under Laws 2020, chapter 116, article 6, sections 20, 21, and 22, as amended by this act, as specified in paragraph (b).

(b) On June 30, 2021, the commissioner must subtract the amount actually paid to participants for the 2020-2021 school year under Laws 2020, chapter 116, article 6, sections 20, 21, and 22, as amended by this act, from the total appropriations for each program. The commissioner must then allocate the remaining funds under each appropriation to participants in the summer food service program on a per meal basis for meals served during the 2020-2021 school year.

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

Sec. 3. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$	<u>16,661,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>16,954,000</u>	<u>.....</u>	<u>2023</u>

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	<u>11,848,000</u>	.....	<u>2022</u>
\$	<u>12,200,000</u>	.....	<u>2023</u>

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	<u>656,000</u>	.....	<u>2022</u>
\$	<u>658,000</u>	.....	<u>2023</u>

Subd. 5. **Summer school food service replacement.** For summer school food service replacement aid under Minnesota Statutes, section 124D.119:

\$	<u>150,000</u>	.....	<u>2022</u>
\$	<u>150,000</u>	.....	<u>2023</u>

Subd. 6. **Basic system support.** For basic system support aid under Minnesota Statutes, section 134.355:

\$	<u>13,570,000</u>	.....	<u>2022</u>
\$	<u>13,570,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$1,357,000 for 2021 and \$12,213,000 for 2022.

The 2023 appropriation includes \$1,357,000 for 2022 and \$12,213,000 for 2023.

Subd. 7. **Multicounty, multitype library systems.** For aid under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$	<u>1,300,000</u>	.....	<u>2022</u>
\$	<u>1,300,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$130,000 for 2021 and \$1,170,000 for 2022.

The 2023 appropriation includes \$130,000 for 2022 and \$1,170,000 for 2023.

Subd. 8. **Electronic library for Minnesota.** For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

\$	<u>900,000</u>	.....	<u>2022</u>
\$	<u>900,000</u>	.....	<u>2023</u>

Subd. 9. **Regional library telecommunications.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

\$	<u>2,300,000</u>	.....	<u>2022</u>
\$	<u>2,300,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$230,000 for 2021 and \$2,070,000 for 2022.

The 2023 appropriation includes \$230,000 for 2022 and \$2,070,000 for 2023.

ARTICLE 9

EARLY EDUCATION

Section 1. Minnesota Statutes 2020, section 124D.151, subdivision 6, is amended to read:

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (e).

(b) In reviewing applications under subdivision 5, the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160 participants for fiscal years 2019, 2020, ~~and 2021~~, 2022, and 2023, and 3,160 participants for fiscal years ~~2022~~ 2024 and later.

Sec. 2. [124D.166] LIMIT ON SCREEN TIME FOR CHILDREN IN PRESCHOOL AND KINDERGARTEN.

A child in a publicly funded preschool or kindergarten program may not use an individual-use screen, such as a tablet, smartphone, or other digital media, without engagement from a teacher or other students. This section does not apply to a child for whom the school has an individualized family service plan, an individualized education program, or a 504 plan in effect.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 3. Minnesota Statutes 2020, section 126C.10, subdivision 2d, is amended to read:

Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the formula allowance for that year and (2) the difference between the adjusted pupil units for the preceding year and the adjusted pupil units for the current year.

(b) Notwithstanding paragraph (a), for fiscal year ~~2022~~ 2024 only, prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be excluded from the calculation of declining enrollment revenue.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 4. APPROPRIATIONS.

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. School readiness. (a) For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

<u>\$</u>	<u>33,683,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>33,683,000</u>	<u>.....</u>	<u>2023</u>

(b) The 2022 appropriation includes \$3,368,000 for 2021 and \$30,315,000 for 2022.

(c) The 2023 appropriation includes \$3,368,000 for 2022 and \$30,315,000 for 2023.

Subd. 3. **Early learning scholarships.** (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

<u>\$</u>	<u>70,709,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>70,709,000</u>	<u>.....</u>	<u>2023</u>

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 124D.165, subdivision 6.

Subd. 4. **Head Start program.** For Head Start programs under Minnesota Statutes, section 119A.52:

<u>\$</u>	<u>25,100,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>25,100,000</u>	<u>.....</u>	<u>2023</u>

Subd. 5. **Early childhood family education aid.** (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

<u>\$</u>	<u>35,003,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>36,478,000</u>	<u>.....</u>	<u>2023</u>

(b) The 2022 appropriation includes \$3,341,000 for 2021 and \$31,662,000 for 2022.

(c) The 2023 appropriation includes \$3,518,000 for 2022 and \$32,960,000 for 2023.

Subd. 6. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

<u>\$</u>	<u>3,582,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>3,476,000</u>	<u>.....</u>	<u>2023</u>

(b) The 2022 appropriation includes \$360,000 for 2021 and \$3,222,000 for 2022.

(c) The 2023 appropriation includes \$357,000 for 2022 and \$3,119,000 for 2023.

Subd. 7. **ParentChild+ program.** For a grant to the ParentChild+ program:

<u>\$</u>	<u>900,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>900,000</u>	<u>.....</u>	<u>2023</u>

The grant must be used for an evidence-based and research-validated early childhood literacy and school readiness program for children ages 16 months to four years at its existing suburban program location. The program must include urban and rural program locations for fiscal years 2022 and 2023.

Subd. 8. Kindergarten entrance assessment initiative and intervention program. For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

\$	<u>281,000</u>	.....	<u>2022</u>
\$	<u>281,000</u>	.....	<u>2023</u>

Subd. 9. Quality rating and improvement system. (a) For transfer to the commissioner of human services for the purposes of expanding the quality rating and improvement system under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for providers participating in the quality rating and improvement system:

\$	<u>1,750,000</u>	.....	<u>2022</u>
\$	<u>1,750,000</u>	.....	<u>2023</u>

(b) The amounts in paragraph (a) must be in addition to any federal funding under the child care and development block grant authorized under Public Law 101-508 in that year for the system under Minnesota Statutes, section 124D.142.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 10. Early childhood programs at tribal contract schools. For early childhood family education programs at tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

\$	<u>68,000</u>	.....	<u>2022</u>
\$	<u>68,000</u>	.....	<u>2023</u>

Subd. 11. Educate parents partnership. For the educate parents partnership under Minnesota Statutes, section 124D.129:

\$	<u>49,000</u>	.....	<u>2022</u>
\$	<u>49,000</u>	.....	<u>2023</u>

Subd. 12. Home visiting aid. (a) For home visiting aid under Minnesota Statutes, section 124D.135:

\$	<u>462,000</u>	.....	<u>2022</u>
\$	<u>444,000</u>	.....	<u>2023</u>

(b) The 2022 appropriation includes \$47,000 for 2021 and \$415,000 for 2022.

(c) The 2023 appropriation includes \$46,000 for 2022 and \$398,000 for 2023.

ARTICLE 10

COMMUNITY EDUCATION AND LIFELONG LEARNING

Section 1. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balances in the first year do not cancel but are available in the second year.

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

\$	<u>180,000</u>	.....	<u>2022</u>
\$	<u>155,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$22,000 for 2021 and \$158,000 for 2022.

The 2023 appropriation includes \$17,000 for 2022 and \$138,000 for 2023.

Subd. 3. **Adults with disabilities program aid.** For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	<u>710,000</u>	.....	<u>2022</u>
\$	<u>710,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$71,000 for 2021 and \$639,000 for 2022.

The 2023 appropriation includes \$71,000 for 2022 and \$639,000 for 2023.

Subd. 4. **Hearing-impaired adults.** For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

\$	<u>70,000</u>	.....	<u>2022</u>
\$	<u>70,000</u>	.....	<u>2023</u>

Subd. 5. **School-age care aid.** For school-age care aid under Minnesota Statutes, section 124D.22:

\$	<u>1,000</u>	.....	<u>2022</u>
\$	<u>1,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$0 for 2021 and \$1,000 for 2022.

The 2023 appropriation includes \$0 for 2022 and \$1,000 for 2023.

Subd. 6. **Tier 1 grants.** (a) For education partnership program Tier 1 sustaining grants under Minnesota Statutes, section 124D.99:

\$	<u>2,600,000</u>	.....	<u>2022</u>
\$	<u>2,600,000</u>	.....	<u>2023</u>

(b) Of the amounts in paragraph (a), \$1,300,000 each year is for the Northside Achievement Zone and \$1,300,000 each year is for the St. Paul Promise Neighborhood.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. **Tier 2 implementing grants.** For Tier 2 implementing grants under Minnesota Statutes, section 124D.99:

<u>\$</u>	<u>480,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>480,000</u>	<u>.....</u>	<u>2023</u>

Subd. 8. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

<u>\$</u>	<u>53,191,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>54,768,000</u>	<u>.....</u>	<u>2023</u>

The 2022 appropriation includes \$5,177,000 for 2021 and \$48,014,000 for 2022.

The 2023 appropriation includes \$5,334,000 for 2022 and \$49,434,000 for 2023.

Subd. 9. **High school equivalency tests.** For payment of the costs of the commissioner-selected high school equivalency tests under Minnesota Statutes, section 124D.55:

<u>\$</u>	<u>125,000</u>	<u>.....</u>	<u>2022</u>
<u>\$</u>	<u>125,000</u>	<u>.....</u>	<u>2023</u>

ARTICLE 11

STATE AGENCIES

Section 1. [127A.20] EVIDENCE-BASED EDUCATION GRANTS.

Subdivision 1. **Purpose and applicability.** The purpose of this section is to create a process to describe, measure, and report on the effectiveness of any prekindergarten through grade 12 education program funded in whole or in part through funds appropriated by the legislature to the commissioner of education for grants to organizations. The evidence-based evaluation required by this section applies to all grants awarded by the commissioner of education on or after July 1, 2022.

Subd. 2. **Goals.** Each applicant for a grant awarded by the commissioner of education must include in the grant application a statement of the goals of the education program and grant funds. To the extent practicable, the goals must be aligned to the state of Minnesota's world's best workforce and the federally required Every Student Succeeds Act accountability systems.

Subd. 3. **Strategies and data.** Each applicant must include in the grant application a description of the strategies that will be used to meet the goals specified in the application. The applicant must also include a plan to collect data to measure the effectiveness of the strategies outlined in the grant application.

Subd. 4. **Reporting.** Within 180 days of the end of the grant period, each grant recipient must compile a report that describes the data that was collected and evaluate the effectiveness of the strategies. The evidence-based report may identify or propose alternative strategies based on the results of the data. The report must be submitted to the commissioner of education and to the chairs and ranking minority members of the legislative committees with jurisdiction over prekindergarten through grade 12 education. The report must be filed with the Legislative Reference Library according to section 3.195.

Subd. 5. **Grant defined.** For purposes of this section, "grant" means money appropriated from the state general fund to the commissioner of education for distribution to the grant recipients.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 2. Minnesota Statutes 2020, section 609A.03, subdivision 7a, is amended to read:

Subd. 7a. Limitations of order effective January 1, 2015, and later. (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105 shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) except as provided in clause (2), an expunged record may be opened, used, or exchanged between criminal justice agencies without a court order for the purposes of initiating, furthering, or completing a criminal investigation or prosecution or for sentencing purposes or providing probation or other correctional services;

(2) when a criminal justice agency seeks access to a record that was sealed under section 609A.02, subdivision 3, paragraph (a), clause (1), after an acquittal or a court order dismissing for lack of probable cause, for purposes of a criminal investigation, prosecution, or sentencing, the requesting agency must obtain an ex parte court order after stating a good-faith basis to believe that opening the record may lead to relevant information;

(3) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order;

(4) an expunged record of a conviction may be opened for purposes of a background study under section 245C.08 unless the commissioner had been properly served with notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner of human services;

(5) an expunged record of a conviction may be opened for purposes of a background check required under section 122A.18, subdivision 8, unless the court order for expungement is directed specifically to the Professional Educator Licensing and Standards Board ~~or the licensing division of the Department of Education~~; and

(6) the court may order an expunged record opened upon request by the victim of the underlying offense if the court determines that the record is substantially related to a matter for which the victim is before the court.

(c) An agency or jurisdiction subject to an expungement order shall maintain the record in a manner that provides access to the record by a criminal justice agency under paragraph (b), clause (1) or (2), but notifies the recipient that the record has been sealed. The Bureau of Criminal Apprehension shall notify the commissioner of human services, or the Professional Educator Licensing and Standards Board, ~~or the licensing division of the Department of Education~~ of the existence of a sealed record and of the right to obtain access under paragraph (b), clause (4) or (5). Upon request, the agency or jurisdiction subject to the expungement order shall provide access to

the record to the commissioner of human services, or the Professional Educator Licensing and Standards Board, ~~or the licensing division of the Department of Education~~ under paragraph (b), clause (4) or (5).

(d) An expunged record that is opened or exchanged under this subdivision remains subject to the expungement order in the hands of the person receiving the record.

(e) A criminal justice agency that receives an expunged record under paragraph (b), clause (1) or (2), must maintain and store the record in a manner that restricts the use of the record to the investigation, prosecution, or sentencing for which it was obtained.

(f) For purposes of this section, a "criminal justice agency" means a court or government agency that performs the administration of criminal justice under statutory authority.

(g) This subdivision applies to expungement orders subject to its limitations and effective on or after January 1, 2015.

Sec. 3. Laws 2019, First Special Session chapter 11, article 10, section 5, subdivision 2, as amended by Laws 2020, chapter 116, article 5, section 4, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

\$	29,196,000	.....	2020
\$	24,911,000	.....	2021

Of these amounts:

- (1) \$319,000 each year is for the Board of School Administrators;
 - (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;
 - (3) \$250,000 each year is for the School Finance Division to enhance financial data analysis;
 - (4) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;
 - (5) \$123,000 each year is for a dyslexia specialist;
 - (6) \$4,700,000 in fiscal year 2020 only is for legal fees and costs associated with litigation; and
 - (7) \$400,000 in fiscal year 2020 and \$480,000 in fiscal year 2021 and later are for the Department of Education's mainframe update.
- (b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.
- (c) 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.

(d) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section ~~16E.0466~~ 16E.21. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanism specified in that agreement.

(e) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (a), the base for fiscal year 2022 is \$24,591,000. The base for fiscal year 2023 is \$24,611,000. The base for fiscal year 2024 is \$24,629,000.

(f) On the effective date of this act, \$2,000,000 from the fiscal year 2020 appropriation for legal fees and costs associated with litigation is canceled to the general fund.

(g) On the effective date of this act, \$1,252,000 from the fiscal year 2021 appropriation for agency operations is canceled to the general fund.

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

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. Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Department.** (a) For the Department of Education:

\$	<u>30,837,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>26,287,000</u>	<u>.....</u>	<u>2023</u>

Of these amounts:

(1) \$319,000 each year is for the Board of School Administrators;

(2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) \$250,000 each year is for the School Finance Division to enhance financial data analysis;

(4) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;

(5) \$123,000 each year is for a dyslexia specialist;

(6) \$480,000 each year is for the Department of Education's mainframe update;

(7) \$4,500,000 in fiscal year 2022 only is for legal fees and costs associated with litigation; and

(8) \$340,000 in fiscal years 2022 and 2023 only are for voluntary prekindergarten programs.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.21. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanisms specified in that agreement.

(e) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (a), the base for fiscal year 2024 and later is \$25,965,000.

Sec. 5. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.

(a) The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

\$	<u>14,056,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>14,317,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (b), the base for fiscal year 2024 and later is \$14,323,000.

Sec. 6. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.

(a) The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

\$	<u>7,406,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>7,527,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (c), the base for fiscal year 2024 and later is \$7,532,000.

Sec. 7. APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.

Subdivision 1. **Professional Educator Licensing and Standards Board.** (a) The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated:

\$	<u>2,792,000</u>	<u>.....</u>	<u>2022</u>
\$	<u>2,839,000</u>	<u>.....</u>	<u>2023</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.21. Any ongoing information technology costs will be

incorporated into an interagency agreement and will be paid to the Office of MN.IT Services by the Professional Educator Licensing and Standards Board under the mechanism specified in that agreement.

Subd. 2. **Licensure by portfolio.** For licensure by portfolio:

\$	<u>34,000</u>	.....	<u>2022</u>
\$	<u>34,000</u>	.....	<u>2023</u>

This appropriation is from the education licensure portfolio account in the special revenue fund.

ARTICLE 12

FORECAST

A. GENERAL EDUCATION

Section 1. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 1, is amended to read:

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	7,347,424,000	.....	2020
	7,509,639,000		
\$	<u>7,408,985,000</u>	.....	2021

The 2020 appropriation includes \$700,383,000 for 2019 and \$6,647,041,000 for 2020.

The 2021 appropriation includes \$711,885,000 for 2020 and ~~\$6,797,754,000~~ \$6,697,100,000 for 2021.

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

Sec. 2. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 2, is amended to read:

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$	19,000	.....	2020
	20,000		
\$	<u>11,000</u>	.....	2021

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

Sec. 3. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 4, as amended by Laws 2020, chapter 116, article 6, section 3, is amended to read:

Subd. 4. **Abatement aid.** For abatement aid under Minnesota Statutes, section 127A.49:

\$	1,770,000	.....	2020
	2,827,000		
\$	<u>2,595,000</u>	.....	2021

The 2020 appropriation includes \$274,000 for 2019 and \$1,496,000 for 2020.

The 2021 appropriation includes \$166,000 for 2020 and ~~\$2,661,000~~ \$2,429,000 for 2021.

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

Sec. 4. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 6, as amended by Laws 2020, chapter 116, article 6, section 4, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$	17,925,000	.....	2020
	18,917,000		
\$	<u>18,918,000</u>	.....	2021

The 2020 appropriation includes \$1,806,000 for 2019 and \$16,119,000 for 2020.

The 2021 appropriation includes \$1,790,000 for 2020 and ~~\$17,127,000~~ \$17,128,000 for 2021.

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

Sec. 5. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 7, as amended by Laws 2020, chapter 116, article 6, section 5, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$	19,168,000	.....	2020
	20,100,000		
\$	<u>19,106,000</u>	.....	2021

The 2020 appropriation includes \$1,961,000 for 2019 and \$17,207,000 for 2020.

The 2021 appropriation includes \$1,911,000 for 2020 and ~~\$18,189,000~~ \$17,195,000 for 2021.

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

Sec. 6. Laws 2019, First Special Session chapter 11, article 1, section 25, subdivision 9, as amended by Laws 2020, chapter 116, article 6, section 6, is amended to read:

Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	3,857,000	2020
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	3,433,000		
\$	<u>3,288,000</u>	2021

The 2020 appropriation includes \$422,000 for 2019 and \$3,435,000 for 2020.

The 2021 appropriation includes \$378,000 for 2020 and ~~\$3,055,000~~ \$2,910,000 for 2021.

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

B. EDUCATION EXCELLENCE

Sec. 7. Laws 2019, First Special Session chapter 11, article 2, section 33, subdivision 2, as amended by Laws 2020, chapter 116, article 3, section 2, is amended to read:

Subd. 2. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$	77,247,000	.....	2020
	81,233,000		
\$	<u>87,574,000</u>	.....	2021

The 2020 appropriation includes \$7,058,000 for 2019 and \$70,189,000 for 2020.

The 2021 appropriation includes \$7,763,000 for 2020 and ~~\$73,470,000~~ \$79,811,000 for 2021.

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

Sec. 8. Laws 2019, First Special Session chapter 11, article 2, section 33, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 7, is amended to read:

Subd. 3. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$	14,231,000	.....	2020
	14,962,000		
\$	<u>15,670,000</u>	.....	2021

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

Sec. 9. Laws 2019, First Special Session chapter 11, article 2, section 33, subdivision 5, as amended by Laws 2020, chapter 116, article 6, section 9, is amended to read:

Subd. 5. **Tribal contract school aid.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

\$	2,766,000	.....	2020
	3,106,000		
\$	<u>2,435,000</u>	.....	2021

The 2020 appropriation includes \$299,000 for 2019 and \$2,467,000 for 2020.

The 2021 appropriation includes \$274,000 for 2020 and ~~\$2,832,000~~ \$2,161,000 for 2021.

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

Sec. 10. Laws 2019, First Special Session chapter 11, article 2, section 33, subdivision 6, as amended by Laws 2020, chapter 116, article 6, section 10, is amended to read:

Subd. 6. **American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$	10,113,000	.....	2020
	10,696,000		
\$	<u>10,939,000</u>	.....	2021

The 2020 appropriation includes \$960,000 for 2019 and \$9,153,000 for 2020.

The 2021 appropriation includes \$1,016,000 for 2020 and ~~\$9,680,000~~ \$9,923,000 for 2021.

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

Sec. 11. Laws 2019, First Special Session chapter 11, article 2, section 33, subdivision 16, as amended by Laws 2020, chapter 116, article 6, section 11, is amended to read:

Subd. 16. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124E.22:

\$	83,214,000	.....	2020
	88,454,000		
\$	<u>85,916,000</u>	.....	2021

The 2020 appropriation includes \$8,021,000 for 2019 and \$75,193,000 for 2020.

The 2021 appropriation includes \$8,354,000 for 2020 and ~~\$80,100,000~~ \$77,562,000 for 2021.

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

Sec. 12. Laws 2019, First Special Session chapter 11, article 3, section 23, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 12, is amended to read:

Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$	89,166,000	.....	2020
	88,851,000		
\$	<u>88,788,000</u>	.....	2021

(b) The 2020 appropriation includes \$8,974,000 for 2019 and \$80,192,000 for 2020.

(c) The 2021 appropriation includes \$8,887,000 for 2020 and ~~\$79,964,000~~ \$79,901,000 for 2021.

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

C. SPECIAL EDUCATION

Sec. 13. Laws 2019, First Special Session chapter 11, article 4, section 11, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 13, is amended to read:

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$	1,600,889,000	.....	2020
	1,747,701,000		
\$	<u>1,727,596,000</u>	.....	2021

The 2020 appropriation includes \$184,363,000 for 2019 and \$1,416,526,000 for 2020.

The 2021 appropriation includes \$199,406,000 for 2020 and ~~\$1,548,295,000~~ \$1,528,190,000 for 2021.

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

Sec. 14. Laws 2019, First Special Session chapter 11, article 4, section 11, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 14, 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:

\$	1,109,000	.....	2020
	1,267,000		
\$	<u>1,644,000</u>	.....	2021

If the appropriation for either year is insufficient, the appropriation for the other year is available.

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

Sec. 15. Laws 2019, First Special Session chapter 11, article 4, section 11, subdivision 4, as amended by Laws 2020, chapter 116, article 6, section 15, 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:

\$	445,000	.....	2020
	467,000		
\$	<u>254,000</u>	.....	2021

The 2020 appropriation includes \$40,000 for 2019 and \$405,000 for 2020.

The 2021 appropriation includes \$44,000 for 2020 and ~~\$423,000~~ \$210,000 for 2021.

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

Sec. 16. Laws 2019, First Special Session chapter 11, article 4, section 11, subdivision 5, as amended by Laws 2020, chapter 116, article 6, section 16, is amended to read:

Subd. 5. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$	-0-	.....	2020
	23,000		
\$	<u>-0-</u>	.....	2021

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

D. FACILITIES AND TECHNOLOGY

Sec. 17. Laws 2019, First Special Session chapter 11, article 6, section 7, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 17, and Laws 2020, Fifth Special Session chapter 3, article 5, section 36, is amended to read:

Subd. 2. **Debt service equalization aid.** For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$	20,684,000	.....	2020
	25,380,000		
\$	<u>25,335,000</u>	.....	2021

The 2020 appropriation includes \$2,292,000 for 2019 and \$18,392,000 for 2020.

The 2021 appropriation includes \$2,043,000 for 2020 and ~~\$23,337,000~~ \$23,292,000 for 2021.

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

Sec. 18. Laws 2019, First Special Session chapter 11, article 6, section 7, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 18, is amended to read:

Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$	104,690,000	.....	2020
	107,820,000		
\$	<u>106,356,000</u>	.....	2021

The 2020 appropriation includes \$10,464,000 for 2019 and \$94,226,000 for 2020.

The 2021 appropriation includes \$10,412,000 for 2020 and ~~\$97,408,000~~ \$95,944,000 for 2021.

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

E. NUTRITION

Sec. 19. Laws 2019, First Special Session chapter 11, article 7, section 1, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 20, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$	16,245,000	.....	2020
	16,514,000		
\$	<u>4,796,000</u>	.....	2021

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

Sec. 20. Laws 2019, First Special Session chapter 11, article 7, section 1, subdivision 3, as amended by Laws 2020, chapter 116, article 6, section 21, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	11,428,000	.....	2020
	11,846,000		
\$	<u>3,242,000</u>	.....	2021

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

Sec. 21. Laws 2019, First Special Session chapter 11, article 7, section 1, subdivision 4, as amended by Laws 2020, chapter 116, article 6, section 22, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	658,000	.....	2020
	658,000		
\$	<u>494,000</u>	.....	2021

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

F. EARLY CHILDHOOD AND FAMILY SUPPORT

Sec. 22. Laws 2019, First Special Session chapter 11, article 8, section 13, subdivision 5, as amended by Laws 2020, chapter 116, article 6, section 23, is amended to read:

Subd. 5. **Early childhood family education aid.** (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	32,151,000	.....	2020
	33,540,000		
\$	<u>33,204,000</u>	.....	2021

(b) The 2020 appropriation includes \$3,098,000 for 2019 and \$29,053,000 for 2020.

(c) The 2021 appropriation includes \$3,133,000 for 2020 and ~~\$30,407,000~~ \$30,071,000 for 2021.

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

Sec. 23. Laws 2019, First Special Session chapter 11, article 8, section 13, subdivision 14, as amended by Laws 2020, chapter 116, article 6, section 24, is amended to read:

Subd. 14. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section 124D.135:

\$	521,000	.....	2020
	528,000		
\$	<u>481,000</u>	.....	2021

(b) The 2020 appropriation includes \$54,000 for 2019 and \$467,000 for 2020.

(c) The 2021 appropriation includes \$51,000 for 2020 and ~~\$477,000~~ \$430,000 for 2021.

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

G. COMMUNITY EDUCATION AND LIFELONG LEARNING

Sec. 24. Laws 2019, First Special Session chapter 11, article 9, section 3, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 25, is amended to read:

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

\$	327,000	.....	2020
	249,000		
\$	<u>236,000</u>	.....	2021

The 2020 appropriation includes \$40,000 for 2019 and \$287,000 for 2020.

The 2021 appropriation includes \$31,000 for 2020 and ~~\$218,000~~ \$205,000 for 2021.

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

Delete the title and insert:

"A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, teachers, charter schools, special education, health and safety, facilities, nutrition and libraries, early childhood, community education, and state agencies; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 120A.35; 120B.132; 120B.21; 122A.61, subdivision 1; 122A.63, subdivisions 6, 9; 122A.70; 124D.111; 124D.151, subdivision 6; 124E.03, by adding a subdivision; 124E.05, subdivision 6; 126C.05, subdivisions 1, 3; 126C.10, subdivisions 2, 2d, 2e; 126C.15, subdivision 5; 127A.49, subdivision 3; 469.176, subdivision 2; 609A.03, subdivision 7a; Laws 2019, First Special Session chapter 11, article 1, section 25,

subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended, 7, as amended, 9, as amended; article 2, section 33, subdivisions 2, as amended, 3, as amended, 5, as amended, 6, as amended, 16, as amended; article 3, section 23, subdivision 3, as amended; article 4, section 11, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended; article 6, section 7, subdivisions 2, as amended, 3, as amended; article 7, section 1, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 13, subdivisions 5, as amended, 14, as amended; article 9, section 3, subdivision 2, as amended; article 10, section 5, subdivision 2, as amended; proposing coding for new law in Minnesota Statutes, chapters 121A; 122A; 124D; 127A."

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

Senator Rosen from the Committee on Finance, to which was referred

S.F. No. 2: A bill for an act relating to state government; changing the deadline for the November forecast; amending Minnesota Statutes 2020, section 16A.103, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2022</u>	<u>2023</u>

Sec. 2. **LEGISLATURE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>98,819,000</u>	<u>\$</u>	<u>99,738,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Senate</u>		<u>37,430,000</u>		<u>37,545,000</u>
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Subd. 3. House of Representatives	<u>39,932,000</u>	<u>40,431,000</u>
Subd. 4. Legislative Coordinating Commission	<u>21,457,000</u>	<u>21,762,000</u>

The base for this appropriation in fiscal year 2024 and each year thereafter is \$21,737,000.

From its funds, \$10,000 each year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

Legislative Auditor. \$7,689,000 the first year and \$7,817,000 the second year are for the Office of the Legislative Auditor.

The legislative auditor may use any unspent amounts appropriated under Laws 2017, First Special Session chapter 6, article 18, section 2, subdivision 3, paragraph (b), and subdivision 5, paragraph (b); and Laws 2019, First Special Session chapter 9, article 14, section 2, subdivision 3, paragraphs (i) and (j), to conduct audits required by Minnesota Statutes, section 3.972, subdivision 2a, in fiscal years 2022 and 2023.

Revisor of Statutes. \$7,298,000 the first year and \$7,419,000 the second year are for the Office of the Revisor of Statutes.

Legislative Reference Library. \$1,793,000 the first year and \$1,822,000 the second year are for the Legislative Reference Library.

Legislative Budget Office. \$1,536,000 the first year and \$1,570,000 the second year are for the Legislative Budget Office.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR

\$ 3,622,000 \$ 3,622,000

(a) This appropriation is to fund the Office of the Governor and Lieutenant Governor.

(b) \$19,000 each year is for necessary expenses in the normal performance of the

governor's and lieutenant governor's duties for which no other reimbursement is provided.

(c) By September 1 of each year, the commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance any personnel costs incurred by the Offices of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs and ranking minority members of the committees before initiating any interagency agreements.

Sec. 4. STATE AUDITOR \$ 11,955,000 \$ 12,051,000

The base for this appropriation in fiscal year 2024 is \$12,061,000. The base for this appropriation in fiscal year 2025 and each year thereafter is \$12,067,000.

Of these amounts, \$743,000 the first year and \$744,000 the second year are for a school finance accountability team in the audit practice division to allow for the audits of school districts that have volunteered with and been selected by the state auditor to have their annual audit performed by the state auditor at no cost to the district. The state auditor must establish a selection process. Notwithstanding Minnesota Statutes, section 6.56, the state auditor may not bill a school district for any work conducted by the school finance accountability team prior to July 1, 2025.

Sec. 5. ATTORNEY GENERAL \$ 31,614,000 \$ 29,104,000

	<u>Appropriations by Fund</u>	
	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>28,698,0000</u>	<u>26,188,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>2,521,000</u>	<u>2,521,000</u>

<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

Sec. 6. **SECRETARY OF STATE** \$ **9,684,000** \$ **9,152,000**

\$750,000 each year is for transfer to the voting equipment grant account under Minnesota Statutes, section 206.95.

\$1,000,000 each year is for grants to local units of government to implement the provisions of Minnesota Statutes, section 203B.082.

Sec. 7. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD** \$ **1,145,000** \$ **1,167,000**

Sec. 8. **STATE BOARD OF INVESTMENT** \$ **139,000** \$ **139,000**

Sec. 9. **ADMINISTRATIVE HEARINGS** \$ **8,236,000** \$ **8,240,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>405,000</u>	<u>409,000</u>
<u>Workers' Compensation</u>	<u>7,831,000</u>	<u>7,831,000</u>

\$268,000 the first year and \$272,000 the second year are for municipal boundary adjustments.

Sec. 10. **OFFICE OF MN.IT SERVICES** \$ **9,855,000** \$ **9,882,000**

(a) \$2,100,000 the first year and \$2,050,000 the second year are to implement recommendations from the Governor's Blue Ribbon Council on Information Technology, established by Executive Order 19-02 and re-established by Executive Order 20-77. The base for this appropriation is \$1,400,000 in fiscal years 2024 and 2025.

(b) The commissioner of management and budget is authorized to provide cash flow assistance of up to \$50,000,000 from the special revenue fund or other statutory

general funds as defined in Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Office of MN.IT Services for the purpose of managing revenue and expenditure differences. These funds shall be repaid with interest by the end of the fiscal year 2023 closing period.

(c) During the biennium ending June 30, 2023, the Office of MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than \$400,000 for the biennium, the office may charge for access fees in excess of these amounts.

Sec. 11. **ADMINISTRATION**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>26,285,000</u>	<u>\$</u>	<u>26,511,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Government and Citizen Services</u>	<u>10,652,000</u>	<u>10,834,000</u>
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Council on Developmental Disabilities. \$222,000 each year is for the Council on Developmental Disabilities.

State Agency Accommodation Reimbursement. \$200,000 the first year and \$200,000 the second year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

Subd. 3. <u>Strategic Management Services</u>	<u>2,174,000</u>	<u>2,218,000</u>
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Subd. 4. <u>Fiscal Agent</u>	<u>13,459,000</u>	<u>13,459,000</u>
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The appropriations under this section are to the commissioner of administration for the purposes specified.

In Lieu of Rent. \$10,515,000 each year is for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Television. (a) \$1,550,000 each year is for matching grants for public television.

(b) \$250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) and (b) for equipment or matching grants.

Public Radio. (a) \$492,000 each year is for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages.

(b) \$142,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under \$500.

(c) \$510,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(d) The appropriations in paragraphs (a) to (c) may not be used for indirect costs claimed by an institution or governing body.

(e) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) and (b). No grantee is eligible for a grant unless they are a member of the Association of

Minnesota Public Educational Radio Stations on or before July 1, 2021.

(f) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

\$ 386,000 \$ 365,000

Sec. 13. MINNESOTA MANAGEMENT AND BUDGET

\$ 29,270,000 \$ 29,691,000

Sec. 14. REVENUE

Subdivision 1. Total Appropriation

\$ 174,647,000 \$ 177,569,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>170,387,000</u>	<u>173,309,000</u>
<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

Subd. 2. Tax System Management

144,774,000 147,179,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>140,514,000</u>	<u>142,919,000</u>
<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

Taxpayer Assistance. (a) \$700,000 the first year and \$750,000 the second year are for the commissioner of revenue to make grants to one or more eligible organizations, qualifying under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986, to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The unencumbered balance in the first year

does not cancel but is available for the second year.

(b) For purposes of this section, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

<u>Subd. 3. Debt Collection Management</u>	<u>29,873,000</u>	<u>30,390,000</u>
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<u>Sec. 15. GAMBLING CONTROL</u>	<u>\$ 5,728,000</u>	<u>\$ 5,123,000</u>
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These appropriations are from the lawful gambling regulation account in the special revenue fund. The base for this appropriation in fiscal year 2024 is \$5,093,000. The base for this appropriation in fiscal year 2025 and each year thereafter is \$4,923,000.

\$865,000 the first year and \$260,000 the second year are to create an information system and to update the board's website. The base for this appropriation in fiscal year 2024 is \$230,000. The base for this appropriation in fiscal year 2025 and each year thereafter is \$60,000.

<u>Sec. 16. RACING COMMISSION</u>	<u>\$ 913,000</u>	<u>\$ 913,000</u>
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These appropriations are from the racing and card playing regulation accounts in the special revenue fund.

Sec. 17. STATE LOTTERY

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the State Lottery's operating budget must not exceed \$36,500,000 in fiscal year 2022 and \$36,500,000 in fiscal year 2023.

Sec. 18. <u>AMATEUR SPORTS COMMISSION</u>	\$	<u>311,000</u>	\$	<u>317,000</u>
Sec. 19. <u>COUNCIL FOR MINNESOTANS OF AFRICAN HERITAGE</u>	\$	<u>544,000</u>	\$	<u>552,000</u>
Sec. 20. <u>COUNCIL ON LATINO AFFAIRS</u>	\$	<u>534,000</u>	\$	<u>544,000</u>
Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC MINNESOTANS</u>	\$	<u>525,000</u>	\$	<u>534,000</u>
Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	\$	<u>855,000</u>	\$	<u>864,000</u>
Sec. 23. <u>MINNESOTA HISTORICAL SOCIETY</u>				
Subdivision 1. <u>Total Appropriation</u>	\$	<u>23,968,000</u>	\$	<u>23,918,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>				
Subd. 2. <u>Operations and Programs</u>		<u>23,397,000</u>		<u>23,597,000</u>
<u>Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.</u>				
Subd. 3. <u>Fiscal Agent</u>				
(a) <u>Global Minnesota</u>		<u>39,000</u>		<u>39,000</u>
(b) <u>Minnesota Air National Guard Museum</u>		<u>17,000</u>		<u>17,000</u>
(c) <u>Hockey Hall of Fame</u>		<u>100,000</u>		<u>100,000</u>
(d) <u>Farmamerica</u>		<u>365,000</u>		<u>115,000</u>
<u>\$250,000 the first year is for site improvements, including classroom, upgrades, visitor center remodeling, and expanded agricultural literacy programming.</u>				
(e) <u>Minnesota Military Museum</u>		<u>50,000</u>		<u>50,000</u>

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 24. BOARD OF THE ARTS

Subdivision 1. <u>Total Appropriation</u>	\$	<u>7,541,000</u>	\$	<u>7,541,000</u>
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The base for this appropriation in fiscal year 2024 and each year thereafter is \$7,561,000. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Operations and Services</u>		<u>602,000</u>		<u>602,000</u>
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The base for this appropriation in fiscal year 2024 and each year thereafter is \$622,000.

Subd. 3. <u>Grants Program</u>		<u>4,800,000</u>		<u>4,800,000</u>
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Subd. 4. <u>Regional Arts Councils</u>		<u>2,139,000</u>		<u>2,139,000</u>
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Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year.

Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 25. <u>MINNESOTA HUMANITIES CENTER</u>	\$	<u>700,000</u>	\$	<u>700,000</u>
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\$325,000 each year is for grants under Minnesota Statutes, section 138.912. No more than three percent of the appropriation may be used for the nonprofit administration of the program.

Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	\$	<u>688,000</u>	\$	<u>698,000</u>
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Sec. 27. <u>BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN</u>	\$	<u>863,000</u>	\$	<u>874,000</u>
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Sec. 28. <u>BOARD OF COSMETOLOGIST EXAMINERS</u>	\$	<u>2,923,000</u>	\$	<u>2,923,000</u>
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Sec. 29. BOARD OF BARBER EXAMINERS \$ 348,000 \$ 353,000

Sec. 30. GENERAL CONTINGENT ACCOUNTS \$ 1,000,000 \$ 500,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
General	<u>500,000</u>	<u>-0-</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

(a) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 31. TORT CLAIMS \$ 161,000 \$ 161,000

These appropriations are to be spent by the commissioner of management and budget according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 32. MINNESOTA STATE RETIREMENT SYSTEM

Subdivision 1. Total Appropriation \$ 14,886,000 \$ 14,878,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Combined Legislators and Constitutional Officers Retirement Plan 8,886,000 8,878,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. <u>Judges Retirement Plan</u>	<u>6,000,000</u>	<u>6,000,000</u>
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For transfer to the judges retirement fund under Minnesota Statutes, section 490.123. This transfer continues each fiscal year until the judges retirement plan reaches 100 percent funding as determined by an actuarial valuation prepared according to Minnesota Statutes, section 356.214.

Sec. 33. <u>PUBLIC EMPLOYEES RETIREMENT ASSOCIATION</u>	<u>\$ 25,000,000</u>	<u>\$ 25,000,000</u>
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(a) \$9,000,000 in each year is for direct state aid to the public employees police and fire retirement plan authorized under Minnesota Statutes, section 353.65, subdivision 3b.

(b) State payments from the general fund to the Public Employees Retirement Association on behalf of the former MERF division account are \$16,000,000 on September 15, 2021, and \$16,000,000 on September 15, 2022. These amounts are estimated to be needed under Minnesota Statutes, section 353.505.

Sec. 34. <u>TEACHERS RETIREMENT ASSOCIATION</u>	<u>\$ 29,831,000</u>	<u>\$ 29,831,000</u>
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The amounts estimated to be needed are as follows:

Special Direct State Aid. \$27,331,000 each year is for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. \$2,500,000 each year is for special direct

state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 35. ST. PAUL TEACHERS RETIREMENT FUND

\$	<u>14,827,000</u>	\$	<u>14,827,000</u>
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The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 36. MILITARY AFFAIRS

Subdivision 1. Total Appropriation

\$	<u>24,393,000</u>	\$	<u>24,589,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Maintenance of Training Facilities

<u>9,772,000</u>	<u>9,842,000</u>
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Subd. 3. General Support

<u>3,507,000</u>	<u>3,633,000</u>
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Subd. 4. Enlistment Incentives

<u>11,114,000</u>	<u>11,114,000</u>
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The appropriations in this subdivision are available until June 30, 2025, except that any unspent amounts allocated to a program otherwise supported by this appropriation are canceled to the general fund upon receipt of federal funds in the same amount to support administration of that program.

If the amount for fiscal year 2022 is insufficient, the amount for 2023 is available in fiscal year 2022.

Sec. 37. VETERANS AFFAIRS

Subdivision 1. Total Appropriation

\$	<u>89,530,000</u>	\$	<u>93,186,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions. The base for this appropriation in fiscal year 2024 and each year thereafter is \$90,185,000.

Subd. 2. Veterans Programs and Services

<u>27,073,000</u>	<u>22,153,000</u>
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(a) **CORE Program.** \$750,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(b) **Veterans Service Organizations.** \$353,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Minnesota Assistance Council for Veterans.** \$750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) utilities;

(2) employment; and

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(d) **State's Veterans Cemeteries.** \$6,172,000 the first year and \$1,672,000 the second year are for the state's veterans cemeteries. Of these amounts, \$4,500,000 the first year is

to construct and equip the new veterans cemetery in Redwood Falls.

(e) **Honor Guards.** \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(f) **Minnesota GI Bill.** \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(g) **Gold Star Program.** \$100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(h) **County Veterans Service Office.** \$1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(i) **Veteran Homelessness Initiative.** \$3,165,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. The base for this appropriation in fiscal year 2024 and each year thereafter is \$1,311,000.

(j) **Camp Bliss.** \$75,000 each year is for a grant to Independent Lifestyles, Inc. for expenses related to retreats for veterans at Camp Bliss in Walker, Minnesota, including therapy, transportation, and activities customized for veterans.

(k) **Veterans On The Lake.** \$50,000 in the first year is for a grant to Veterans on the

Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans.

(l) **Veterans Resilience Project.** \$400,000 each year is for a grant to the veterans resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans and current military service members who are suffering from posttraumatic stress disorder and trauma. The base for this appropriation in fiscal year 2024 and each year thereafter is \$200,000.

The veterans resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(m) **9/11 Task Force.** \$500,000 the first year is for the Advisory Task Force on 9/11 and Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

Subd. 3. **Veterans Health Care**

62,457,000

71,033,000

The base for this appropriation in fiscal year 2024 and each year thereafter is \$70,086,000.

(a) \$61,457,000 the first year and \$70,383,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are

deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer in fiscal year 2024 and each year thereafter is \$69,536,000.

Of the amounts transferred under this paragraph, \$337,000 the first year and \$8,347,000 the second year are for the operation of the new veterans homes in Bemidji, Montevideo, and Preston.

The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements received. Contingent upon future federal Medicare receipts, reductions to the homes' general fund appropriation may be made.

(b) \$1,000,000 the first year and \$650,000 the second year are to address the problem of death by suicide among veterans in Minnesota. The commissioner of veterans affairs may use funds for personnel, training, research, marketing, and professional or technical contracts. The base for this appropriation in fiscal year 2024 and each year thereafter is \$550,000.

Sec. 38. CANCELLATIONS; FISCAL YEAR 2021.

(a) \$379,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 10, is canceled.

(b) \$300,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 11, subdivision 1, is canceled. This amount is from the fiscal year 2021 appropriation for government and citizen services.

(c) \$1,367,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 13, is canceled.

(d) \$8,274,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 14, subdivision 1, is canceled. Of this amount, \$7,305,000 is

from the fiscal year 2021 appropriation for tax system management and \$969,000 is from the fiscal year 2021 appropriation for debt collection management.

(e) \$86,000 of the fiscal year 2021 general fund appropriation for moving and relocation expenses under Laws 2019, First Special Session chapter 10, article 1, section 24, subdivision 2, as amended by Laws 2020, chapter 104, article 2, section 4, is canceled.

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

Sec. 39. CANCELLATIONS; ITA ACCOUNT.

(a) \$179,000 from the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, is canceled to the general fund.

(b) \$14,000 from the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, is canceled to the workers' compensation fund.

(c) \$5,000 from the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, is canceled to the state government special revenue fund.

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

Sec. 40. CANCELLATION; DATA SECURITY ACCOUNT.

On July 1, 2023, \$1,200,000 from the data security account established under Minnesota Statutes, section 3.9741, subdivision 5, is canceled to the general fund.

Sec. 41. HELP AMERICA VOTE ACT ACCOUNT; LOCAL GOVERNMENT GRANTS.

\$3,000,000 of the total amount appropriated to the secretary of state by Laws 2019, First Special Session chapter 10, article 1, section 40, and Laws 2020, chapter 77, section 3, must be distributed as grants to political subdivisions for activities authorized by those laws.

Sec. 42. Laws 2019, First Special Session chapter 10, article 1, section 40, is amended to read:

Sec. 40. HELP AMERICA VOTE ACT TRANSFERS AND APPROPRIATIONS; SECRETARY OF STATE.

(a) \$6,595,610 is appropriated in fiscal year 2019 from the HAVA account established in Minnesota Statutes, section 5.30, to the secretary of state for the purposes of improving the administration and security of elections as authorized by federal law. Use of the appropriation is limited to the following activities:

(1) modernizing, securing, and updating the statewide voter registration system and for cybersecurity upgrades as authorized by federal law;

(2) improving accessibility;

- (3) preparing training materials and training local election officials; and
- (4) implementing security improvements for election systems.

(b) Any amount earned in interest on the amount appropriated under paragraph (a) is appropriated from the HAVA account to the secretary of state for purposes of improving the administration and security of elections as authorized by federal law.

(c) The appropriations under paragraphs (a) and (b) are onetime and available until March 23, ~~2023~~ 2027.

(d) \$167,000 expended by the secretary of state in fiscal years 2018 and 2019 for increasing secure access to the statewide voter registration system is deemed:

(1) to be money used for carrying out the purposes authorized under the Omnibus Appropriations Act of 2018, Public Law 115-1410, and the Help America Vote Act of 2002, Public Law 107-252, section 101; and

(2) to be credited toward any match required by those laws.

Sec. 43. Laws 2020, chapter 77, section 3, subdivision 6, is amended to read:

Subd. 6. **Availability of appropriations.** The appropriations provided in this section are onetime and available until December 21, ~~2024~~ 2028.

ARTICLE 2

STATE GOVERNMENT OPERATIONS

Section 1. **[3.888] LEGISLATIVE COMMISSION ON CYBERSECURITY.**

Subdivision 1. **Membership.** The Legislative Commission on Cybersecurity consists of the following eight members:

(1) four senators, including two senators appointed by the senate majority leader and two senators appointed by the senate minority leader; and

(2) four members of the house of representatives, including two members appointed by the speaker of the house and two members appointed by the minority leader of the house.

Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term beginning on appointment and expiring on appointment of a successor after the opening of the next regular session of the legislature in the odd-numbered year. A vacancy in the membership of the commission must be filled for the unexpired term in a manner that will preserve the representation established by this section.

Subd. 3. **Duties.** The commission shall provide oversight of the state's cybersecurity measures. The commission shall review the policies and practices of state agencies with regard to cybersecurity and may recommend changes in policy to adequately protect the state from cybersecurity threats.

The commission may develop recommendations and draft legislation to support and strengthen the state's cybersecurity infrastructure.

Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members present. If the commission is unable to elect a chair by a majority vote at its first meeting of a biennium, the ranking member of the majority party shall serve as chair. The officers shall alternate between a member of the senate and a member of the house of representatives. A chair shall serve a two-year term expiring upon election of a new chair after the opening of the next regular session of the legislature in the odd-numbered year.

Subd. 5. **Meetings.** The commission must meet at least three times per calendar year. The meetings of the commission are subject to section 3.055, except that the commission may close a meeting when necessary to safeguard the state's cybersecurity. The minutes, recordings, and documents from a closed meeting under this subdivision shall be maintained by the Legislative Coordinating Commission and shall not be made available to the public until eight years after the date of the meeting.

Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide administrative services for the commission.

Subd. 7. **Expiration.** The commission expires December 31, 2028.

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

Sec. 2. **[10.551] INDIA DAY.**

(a) August 15 of each year is designated India Day to commemorate and celebrate the diverse culture, heritage, traditions, and contributions of Minnesotans of Indian ancestry.

(b) The diverse culture, traditions, and values of this community have contributed to the vitality of Minnesota. Each year, the governor shall issue a proclamation honoring the observance of India Day and shall encourage Minnesotans to take the opportunity to learn about and appreciate the community and its contributions.

Sec. 3. Minnesota Statutes 2020, section 14.389, subdivision 5, is amended to read:

Subd. 5. **Option.** A law authorizing or requiring rules to be adopted under this section may refer specifically to this subdivision. If the law contains a specific reference to this subdivision, as opposed to a general reference to this section:

(1) the notice required in subdivision 2 must include a statement that a public hearing will be held if ~~100~~ 50 or more people request a hearing. The request must be in the manner specified in section 14.25; and

(2) if ~~100~~ 50 or more people submit a written request for a public hearing, the agency may adopt the rule only after complying with all of the requirements of chapter 14 for rules adopted after a public hearing.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to rules proposed on or after that date.

Sec. 4. Minnesota Statutes 2020, section 16A.06, is amended by adding a subdivision to read:

Subd. 12. **Audit of state's use of federal funds.** The commissioner shall contract with a qualified auditor to conduct the annual audit required by the Single Audit Act of 1984, Public Law 98-502; the Single Audit Act Amendments of 1996, Public Law 104-156; and Code of Federal Regulations, title 2, part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The cost of the audit shall be billed to the agencies audited during the subsequent fiscal year. Amounts paid by state agencies shall be deposited in the general fund.

Sec. 5. **[16A.401] VIRTUAL PAYMENTS AUTHORIZED.**

Subdivision 1. **Virtual payments.** The commissioner may establish a program to issue virtual payments from the state treasury. Any rebate to the state generated by the program must be deposited in the general fund unless retained under subdivision 3.

Subd. 2. **Rebates.** Notwithstanding subdivision 1, rebates attributable to expenditures in funds established in the state constitution or protected by federal law must be returned to the account from which the expenditure originated.

Subd. 3. **Rebates retained.** The commissioner may retain a portion of rebates for the administration of this section. Money retained under this subdivision must be deposited in an account in the special revenue fund and is appropriated to the commissioner for the purposes of this section.

Sec. 6. Minnesota Statutes 2020, section 16B.24, is amended by adding a subdivision to read:

Subd. 13. **Electric vehicle charging.** The commissioner shall require that a user of a charging station located on the State Capitol complex used to charge a private electric vehicle pay an electric service fee. The commissioner shall set the electric service fee rate to cover electricity costs for charging an electric vehicle and for the administrative costs associated with providing electric charging stations.

Sec. 7. **[43A.231] PROCUREMENT OF A PHARMACY BENEFIT MANAGER AND A PLATFORM TECHNOLOGY VENDOR.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Market check" means a technology-driven evaluation of prescription drug pricing based on benchmarks derived from reverse auction processes conducted in the United States over the immediately preceding 12 months.

(c) "Pharmacy benefit management services" means:

(1) the procurement of prescription drugs at a negotiated rate for dispensation within the State Employees Group Insurance Program (SEGIP) to enrollees;

(2) the administration and management of the prescription drug benefit under SEGIP; and

(3) any services defined in section 62W.02, subdivisions 8, 12, and 15, paragraph (a).

(d) "Pharmacy benefit manager" has the meaning given in section 62W.02, subdivision 15, paragraph (a).

(e) "Price" means the projected cost of a bid for providing pharmacy benefit management services over the duration of the contract.

(f) "Reverse auction" means an automated bidding process conducted online that starts with an opening price and allows qualified bidders to counteroffer a lower price for multiple rounds of bidding.

(g) "SEGIP" means the State Employees Group Insurance Program under sections 43A.22 to 43A.31.

Subd. 2. **Purpose.** The purpose of this section is to optimize prescription drug savings in SEGIP through:

(1) contracting with a pharmacy benefit manager to manage and administer the prescription drug benefit for SEGIP;

(2) the adoption of a reverse auction process for the selection of a pharmacy benefit manager;

(3) providing a process for the electronic review and validation of pharmacy benefit manager claims invoices for the purpose of reconciling pharmacy bills;

(4) market checks of the pharmacy benefit manager's prescription drug pricing; and

(5) limiting independent pharmacies from unsustainable reimbursement practices.

Subd. 3. **Procurement of a pharmacy benefit manager.** (a) Notwithstanding any law to the contrary, the commissioner of management and budget shall procure a contract for the services of a pharmacy benefit manager to administer the prescription drug benefit and pharmacy benefit management services, effective January 1, 2023.

(b) For the contract effective January 1, 2023, the commissioner shall conduct a reverse auction as described in this section to select the pharmacy benefit manager and use a reverse auction for procurement of subsequent pharmacy benefit manager contracts as provided in subdivision 5, paragraph (b).

(c) In consultation with the technology platform vendor selected under subdivision 4, the commissioner shall specify the terms of a participant bidding agreement that all bidders must accept as a prerequisite for participation in the reverse auction process, including:

(1) common definitions;

(2) prescription drug classifications;

(3) retail pricing rules, including maximum allowable cost price lists and dispensing fees; and

(4) any other contract terms the commissioner deems necessary to further the purpose of this section as specified under subdivision 2.

(d) A pharmacy benefit manager who submits a bid under this subdivision must provide the commissioner access to complete pharmacy claims data necessary for the commissioner to conduct the reverse auction and to carry out administrative and management duties.

(e) The terms of a contract entered into under this subdivision shall not be modified by the pharmacy benefit manager except with the approval of the commissioner.

(f) The commissioner may structure the contract awarded under this subdivision to pay the cost of the technology platform and the associated professional services contracted for under this subdivision by assessing a fee per prescription to be paid directly by the pharmacy benefit manager to the technology platform vendor.

(g) The commissioner must perform annual market checks on pharmacy benefit manager services performed by the pharmacy benefit manager during the term of the contract. A market check performed under this paragraph may include an evaluation of the effect of alternative drug pricing metrics, such as the national average drug acquisition cost and average wholesale price, on the cost of prescription drugs and savings to the state.

(h) The commissioner shall make regular, periodic payment of invoices within the time periods specified in the contract based on the automated adjudication of invoiced claims using the technology platform to validate that claims payments comply with the terms of the contract.

(i) The joint labor-management committee on health plans shall assist in the process through which the commissioner conducts the reverse auction, evaluation, and comparison of the competing pharmacy benefit manager bids for award of the contract.

Subd. 4. **Technology platform.** (a) At least three months before the reverse auction process is scheduled to be completed, the commissioner shall procure through a competitive bidding process a contract with a professional services vendor for a technology platform and any associated professional services necessary to operate the platform to:

(1) evaluate the qualifications of prospective pharmacy benefit manager bidders for the pharmacy benefit manager procurement;

(2) automatically adjudicate prescription drug claims; and

(3) collect data on pharmacy reimbursement.

(b) The platform procured under paragraph (a) must have the following capabilities to ensure optimal performance of the reverse auction and security of data:

(1) host and conduct an online automated reverse auction:

(i) using a software application and high-performance data infrastructure to intake, cleanse, and normalize pharmacy benefit manager data; and

(ii) with development methods and information security standards that have been validated by receiving Service Organization Control 2 (SOC 2) and National Institute of Standards and Technology certification;

(2) automate repricing of diverse and complex pharmacy benefit manager prescription drug pricing proposals to enable direct comparisons of the price of bids using all annual claims data available for the program using code-based classification or prescription drugs from nationally accepted drug sources;

(3) simultaneously evaluate, within six hours, diverse and complex multiple proposals from full-service pharmacy benefit managers that shall include at least guaranteed net cost, Average Wholesale Price and National Average Drug Acquisition Cost (NADAC) pricing models, as well as proposals from pharmacy benefit administrators and specialty drug and rebate carve-out services providers;

(4) produce an automated report and analysis of bids, including ranking of bids on the comparative costs and qualitative aspects of the costs within six hours after the close of each round of reverse auction bidding; and

(5) after the close of the reverse auction process, perform an electronic, line-by-line, claim-by-claim review of all invoiced pharmacy benefit manager claims within six hours of receipt that allows for an online comparison of pharmacy benefit manager invoices and identifies all deviations from the specific terms of the services contract resulting from the reverse auction.

(c) The commissioner may require additional capabilities or more rigorous standards than those specified in paragraph (b).

(d) The commissioner shall not award the platform technology vendor contract under this subdivision to:

(1) a pharmacy benefit manager;

(2) a subsidiary or affiliate of a pharmacy benefit manager; or

(3) a vendor who is managed by a pharmacy benefit manager or who receives, directly or indirectly, remuneration from a pharmacy benefit manager for aggregating clients into a contractual relationship with a pharmacy benefit manager.

(e) The vendor who is awarded the contract under this subdivision must not subcontract any part of the reverse auction process or the review described under paragraph (b), clause (5).

Subd. 5. Report; savings determination; process for selecting successor pharmacy benefit manager. (a) The commissioner of management and budget, with the assistance of an actuarial consultant, shall compare the following: (1) actual, electronically adjudicated prescription drug costs under the first two years of the contract that begins on January 1, 2023, with a pharmacy benefit manager that was selected by the reverse auction; and (2) a projection of what prescription drug costs would have been for those same two years under the pharmacy benefit manager contract in effect from 2018 to 2022, with appropriate adjustment for any adopted formulary or beneficiary utilization changes. The projection must use industry-recognized data sources. The commissioner of management and budget shall report the results of the comparison to the legislative auditor and to the chairs and ranking minority members of the committees in the senate and house of representatives with jurisdiction over state government finance and policy by March 1, 2025.

(b) The commissioner of management and budget must require the actuarial consultant to take appropriate measures to ensure that the consultant's work is not compromised by a conflict of interest.

(c) By April 1, 2025, the legislative auditor shall provide a report to the commissioner of management and budget and to the chairs and ranking minority members of the committees in the senate and house of representatives with jurisdiction over state government finance and policy. The legislative auditor's report must make a determination as to whether the commissioner's report accurately performs the comparison required under paragraph (a).

(d) The technology platform vendor shall provide to the commissioner of management and budget and to the legislative auditor the electronically adjudicated prescription drug data and any other support or assistance required by the commissioner of management and budget to prepare a report and for the legislative auditor to validate the accuracy of the commissioner's results of the comparison, by deadlines established by the commissioner of management and budget and the legislative auditor. Individual-identifying data received from the technology platform vendor is private data on individuals, as defined by section 13.02, subdivision 12.

(e) If the commissioner of management and budget determines that savings on prescription drug costs were not achieved, based on the comparison required under paragraph (a), with appropriate adjustment for any adopted formulary or beneficiary utilization changes, the commissioner may forego the use of a reverse auction for procurement of a successor pharmacy benefit manager contract. If the commissioner of management and budget determines that savings have been achieved, the commissioner must select the successor pharmacy benefit manager contract using the reverse auction process described in this section. If the commissioner's comparison in paragraph (a) finds that savings are not achieved, the commissioner's report under paragraph (a) must include the commissioner's findings that support a determination that savings were not achieved, analysis of the factors that caused a failure to achieve savings, and recommendations for how savings could be achieved in the next contract with a pharmacy benefit manager.

Subd. 6. **Data protections.** The commissioner of management and budget may only enter into an agreement with a technology platform vendor if the agreement provides privacy protections for data collected and maintained by the technology platform vendor, including:

- (1) procedures for the prevention of unauthorized access or use;
- (2) a prohibition on the sale of data collected and maintained as provided in the agreement; and
- (3) a prohibition on dissemination of data unless authorized by state or federal law or the agreement.

Sec. 8. Minnesota Statutes 2020, section 138.38, is amended to read:

138.38 REPORTS OF STATE ARCHAEOLOGIST.

The state archaeologist shall consult with and keep the Indian Affairs Council ~~and~~ the director of the historical society, and the State Historic Preservation Office informed as to significant field archaeology, projected or in progress, and as to significant discoveries made. Annually, and also upon leaving office, the state archaeologist shall file with the commissioner a full report of the office's activities including a summary of the activities of licensees, from the date of the last full

report of the state archaeologist. Copies of the report must be sent upon completion to the Minnesota Historical Society ~~and~~, the Indian Affairs Council, and the State Historic Preservation Office, and made available to other interested parties.

Sec. 9. Minnesota Statutes 2020, section 155A.23, subdivision 16, is amended to read:

Subd. 16. **School manager.** A "school manager" is ~~a cosmetologist who is~~ a salon manager ~~and~~ who has a school manager license. A school manager must maintain an active salon manager's license.

Sec. 10. Minnesota Statutes 2020, section 240.01, subdivision 18, is amended to read:

Subd. 18. **Racing meeting.** "Racing meeting" is a series of days in which racing days are not separated by more than five nonracing days unless approved in advance by the commission.

Sec. 11. Minnesota Statutes 2020, section 240.06, subdivision 7, is amended to read:

Subd. 7. **License suspension and revocation.** The commission:

(1) may revoke a class A license for (i) a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, or for an intentional false statement made in a license application, or (ii) a willful failure to pay any money required to be paid by Laws 1983, chapter 214;

(2) may revoke a class A license for failure to perform material covenants or representations made in a license application; and

(3) shall revoke a class A license if live racing has not been conducted on at least 50 racing days assigned by the commission during any period of 12 consecutive months, unless the commission authorizes a shorter period because of circumstances beyond the licensee's control pursuant to section 240.30, subdivision 5.

The commission may suspend a class A license for up to one year for a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, and may suspend a class A license indefinitely if it determines that the licensee has as an officer, director, shareholder, or other person with a direct, indirect, or beneficial interest a person who is in the commission's opinion inimical to the integrity of horse racing in Minnesota or who cannot be certified under subdivision 1, clause (4).

A license revocation or suspension under this subdivision is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act, and is in addition to criminal penalties imposed for a violation of law or rule.

Sec. 12. Minnesota Statutes 2020, section 240.11, is amended to read:

240.11 LICENSES NONTRANSFERABLE.

(a) Except as provided in paragraph (b), a license issued under this chapter may not be transferred.

(b) A class A, class B, class C, or class D license to provide advance deposit wagering may be transferred with prior approval by the commission.

Sec. 13. Minnesota Statutes 2020, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of two percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs incurred by the commission as described in section 240.30, subdivision 9, or the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the cost of administering the breeders fund and promote horse breeding in Minnesota.

Sec. 14. Minnesota Statutes 2020, section 240.24, subdivision 2a, is amended to read:

Subd. 2a. **Reimbursement.** Increased expenses related to the use of upgraded drug testing technologies and procedures are deemed to be necessary costs within the meaning of section 240.155 and the commission ~~shall~~ may be reimbursed for these expenses from receipts from card playing activities regulated by the commission.

Sec. 15. Minnesota Statutes 2020, section 240.24, subdivision 3, is amended to read:

Subd. 3. **Fees.** The commission shall establish by rule a fee or schedule of fees that may be used to recover the costs of medical testing of horses running at racetracks licensed by the commission. Fees charged for the testing of horses shall cover the cost of the medical testing laboratory. Fee receipts shall be deposited in the state treasury and credited to the racing reimbursement account.

Sec. 16. Minnesota Statutes 2020, section 240.30, subdivision 5, is amended to read:

Subd. 5. **Limitation.** (a) The commission shall not authorize a licensee to operate a card club if the licensee has not conducted at least 50 days of live racing at a class A facility within the past 12 months or during the preceding calendar year unless the commission authorizes a shorter period because of as a result of an epidemic, natural disaster, flood, war, or other circumstances beyond the licensee's control that made conducting 50 days of live racing untenable for either public or equine health, welfare, or safety.

(b) Any authorization by the commission for a shorter period under paragraph (a), must be approved in writing by the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months.

Sec. 17. Minnesota Statutes 2020, section 270C.21, is amended to read:

270C.21 TAXPAYER ASSISTANCE GRANTS.

Subdivision 1. Taxpayer assistance. When the commissioner awards grants to ~~nonprofit~~ eligible organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services, the commissioner must provide public notice of the grants in a timely manner so that the grant process is completed and grants are awarded by October 1, in order for recipient eligible organizations to adequately plan expenditures for the filing season. At the time the commissioner provides public notice, the commissioner must also notify ~~nonprofit~~ eligible organizations that received grants in the previous biennium.

Subd. 2. Eligible organization. "Eligible organization" means an organization that meets the definition of eligible organization provided in section 7526A(e)(2)(B) of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective for grants awarded after June 30, 2021.

Sec. 18. Minnesota Statutes 2020, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. Counties. (a) For aids payable in 2018 and 2019, the total aid payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2021 through 2024, the total aid payable under section 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is \$115,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision 4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124, subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$145,873,444. The commissioner of revenue shall transfer to the ~~commissioner of management and budget~~ Legislative Budget Office \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, and other local government activities. The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the ~~commissioner of management and budget~~ Legislative Coordinating Commission and the commissioner of education respectively.

EFFECTIVE DATE. This section is effective June 30, 2021.

Sec. 19. Minnesota Statutes 2020, section 645.071, is amended to read:

645.071 STANDARD OF TIME.

Every mention of, or reference to, any hour or time in any law, during any period of the year, is to be construed with reference to and in accordance with the ~~standard time~~ or advanced standard time provided by federal law. No department of the state government and no county, city or town shall employ, during any period of the year, any other time, or adopt any ordinance or order providing for the use, during any period of the year, of any other time than the federal ~~standard time~~ or advanced standard time.

EFFECTIVE DATE. This section is effective upon the first commencement of advanced standard time, also known as daylight saving time, following enactment of an amendment to United States Code, title 15, section 260a, or another applicable law, which authorizes states to observe advanced standard time year-round.

Sec. 20. **LEGISLATIVE AUDITOR; COMPREHENSIVE REVIEW OF COVID-19 RESPONSE.**

The legislative auditor is requested to conduct a special review of the state's response to the infectious disease known as COVID-19. If conducted, the review must be designed as a comprehensive analysis of all major aspects of the state's response, including programs to provide testing, vaccination, and public outreach; contracting and other state purchasing necessary to facilitate the response or to provide public services; and the methodology used in modeling and forecasting the course of the outbreak. For each program, service, or activity, the review must consider whether it was efficiently and successfully implemented to achieve its intended outcome. If a program, service, or activity was not efficiently or successfully implemented, the review may make recommendations for process improvements to facilitate the state's response to future infectious disease outbreaks.

Sec. 21. **FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE COMMISSION ON CYBERSECURITY.**

Subdivision 1. **First appointments.** Appointing authorities must make initial appointments to the Legislative Commission on Cybersecurity within 60 days after final enactment. These members serve a term that expires on appointment of a successor after the start of the next regular session of the legislature in 2023.

Subd. 2. **First meeting.** The majority leader of the senate shall designate one senate member of the Legislative Commission on Cybersecurity under Minnesota Statutes, section 3.888, to convene the first meeting within 105 days after final enactment. The commission must select a chair from among the senate members at the first meeting.

Subd. 3. **Meetings in 2021.** Notwithstanding Minnesota Statutes, section 3.888, subdivision 5, the commission must meet at least twice in 2021.

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

ARTICLE 3**MILITARY AND VETERANS POLICY**

Section 1. Minnesota Statutes 2020, section 10.578, is amended to read:

10.578 VETERANS SUICIDE PREVENTION AND AWARENESS DAY.

The first Saturday of every October is designated Veterans Suicide Prevention and Awareness Day. Each year, the governor shall issue a proclamation honoring this observance. Each year in conjunction with this observance, the commissioner of veterans affairs shall coordinate activities that raise awareness of, and promote the prevention of, veteran suicides.

Sec. 2. Minnesota Statutes 2020, section 15.057, as amended by Laws 2021, chapter 28, section 2, is amended to read:

15.057 PUBLICITY REPRESENTATIVES.

No state department, bureau, or division, whether the same operates on funds appropriated or receipts or fees of any nature whatsoever, except the Department of Veterans Affairs, the Department of Transportation, the Department of Employment and Economic Development, the Department of Agriculture, the Game and Fish Division, State Agricultural Society, and Explore Minnesota Tourism shall use any of such funds for the payment of the salary or expenses of a publicity representative. The publicity representative for the Department of Agriculture must not be an elected official or candidate for public office. The head of any such department, bureau, or division shall be personally liable for funds used contrary to this provision. This section shall not be construed, however, as preventing any such department, bureau, or division from sending out any bulletins or other publicity required by any state law or necessary for the satisfactory conduct of the business for which such department, bureau, or division was created.

Sec. 3. Minnesota Statutes 2020, section 190.07, is amended to read:

190.07 APPOINTMENT; QUALIFICATIONS; RANK; TERM; VACANCY.

Subdivision 1. **Qualifications.** There shall be an adjutant general of the state who shall be appointed by the governor within 120 days of a vacancy of the position. The adjutant general shall be a staff officer, who at the time of appointment shall be a commissioned officer of the National Guard of this state, with not less than ten years military service in the National Guard of this state or the armed forces of the United States, at least three of which shall have been commissioned and who shall have reached, at a minimum, the grade of a field officer rank of colonel (O-6).

Subd. 2. **Rank.** The adjutant general shall be promoted, if necessary, directly to and shall hold at least the rank of major general and may be promoted to and including the highest rank authorized under federal law. However, the adjutant general may not be promoted to the rank of major general without having at least 20 years service in the Minnesota National Guard, at least one of which has been in the rank of brigadier general. If not already a major general, the adjutant general's promotion is effective beginning on the date the governor appoints the adjutant general. At the time of appointment and in accordance with the authorities governing federal recognition of officers, the adjutant general is authorized to wear the rank of major general.

Subd. 3. **Term.** The term of the adjutant general is for a single term of seven years from the date of appointment. ~~Section 15.06, subdivisions 3, 4, and 5, governs filling of vacancies in the Office of Adjutant General.~~ The adjutant general shall not be removed from office during a term except upon withdrawal of federal recognition or as otherwise provided by the military laws of this state.

Subd. 4. **Vacancy; acting or temporary adjutant general.** In the event of a vacancy of the adjutant general, the governor may appoint a person qualified under subdivision 1 as an acting adjutant general. If the governor does not appoint an acting adjutant general, the deputy adjutant general as defined in section 190.09, subdivision 1, shall become temporary adjutant general without further official action. Upon taking office, the acting or temporary adjutant general shall have all the powers and emoluments and perform all the duties of the office of adjutant general until a permanent adjutant general is appointed.

Sec. 4. [196.081] VETERANS STABLE HOUSING INITIATIVE; DATA.

(a) The commissioner may establish a veterans stable housing initiative. If the commissioner establishes a veterans stable housing initiative under this section, the commissioner must provide resources and support to assist veterans experiencing homelessness in obtaining or maintaining stable housing.

(b) Data on individuals maintained by the commissioner in the Homeless Veteran Registry for purposes of the veterans stable housing initiative is private data on individuals as defined in section 13.02, subdivision 12, and must not be disclosed or shared except for coordinating homelessness prevention efforts with:

(1) members of the Minnesota Interagency Council on Homelessness; and

(2) Homeless Veteran Registry partners to address a veteran's episode of homelessness or maintain a veteran's housing plan through Department of Veterans Affairs funded programs.

(c) For purposes of this section, "homelessness" means that a veteran lacks a fixed, nighttime residence.

Sec. 5. Minnesota Statutes 2020, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under ~~subdivisions subdivision 5 and 5a~~ if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive

federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(iv) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; and

(2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and

(3) the person receiving the educational assistance:

(i) is an undergraduate or graduate student at an eligible institution;

(ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;

(iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

(v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and

(vi) has completed the Free Application for Federal Student Aid (FAFSA).

(b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.

(c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers; correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively

effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 6. Minnesota Statutes 2020, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Educational assistance amount.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Department of Veterans Administration and payments made under the Veterans Retraining Assistance Program (VRAP) Affairs.

(c) The amount of educational assistance for any eligible person who is a full-time student must not exceed the following:

(1) \$3,000 per state fiscal year; and

(2) \$10,000 in a lifetime.

(d) For a part-time student, the amount of educational assistance must not exceed \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is \$50 per term.

Sec. 7. Minnesota Statutes 2020, section 197.791, subdivision 5a, is amended to read:

Subd. 5a. **Apprenticeship and on-the-job training.** (a) The commissioner, in consultation with the commissioners of employment and economic development and labor and industry, shall develop and implement an apprenticeship and on-the-job training program to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible persons, as provided in this subdivision.

(b) An "eligible employer" means an employer operating a qualifying apprenticeship or on-the-job training program that has been approved by the commissioner.

~~(e) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person meets the criteria established under subdivision 4, paragraph (a). The commissioner may determine eligibility as provided in subdivision 4, paragraph (e), and may deny or terminate benefits as prescribed under subdivision 4, paragraphs (d) and (e). The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:~~

(c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(d) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:

(1) \$3,000 per fiscal year for apprenticeship expenses;

(2) \$3,000 per fiscal year for on-the-job training;

(3) \$1,000 for a job placement credit payable to an eligible employer upon hiring and completion of six consecutive months' employment of a person receiving assistance under this subdivision; and

(4) \$1,000 for a job placement credit payable to an eligible employer after a person receiving assistance under this subdivision has been employed by the eligible employer for at least 12 consecutive months as a full-time employee.

~~(e) No more than \$5,000 in aggregate benefits under this paragraph subdivision may be paid to or on behalf of an individual in one fiscal year, and not more than \$10,000 in aggregate benefits under this paragraph may be paid to or on behalf of an individual over any period of time.~~

(f) If an eligible person receives benefits under subdivision 5 or 5b, the eligible person's aggregate benefits under this subdivision, subdivisions 5, and 5b, must not exceed \$10,000 in the eligible person's lifetime.

~~(d)~~ (g) Assistance for apprenticeship expenses and on-the-job training is available for qualifying programs, which must, at a minimum, meet the following criteria:

- (1) the training must be with an eligible employer;
- (2) the training must be documented and reported;
- (3) the training must reasonably be expected to lead to an entry-level position; and
- (4) the position must require at least six months of training to become fully trained.

Sec. 8. Minnesota Statutes 2020, section 197.791, subdivision 5b, is amended to read:

Subd. 5b. **Additional professional or educational benefits.** (a) The commissioner shall develop and implement a program to administer a portion of the Minnesota GI Bill program to pay additional benefit amounts to eligible persons as provided under this subdivision.

~~(b) A person is eligible for additional benefits under this subdivision if the person meets the criteria established under subdivision 4, paragraph (a), clause (1). The commissioner may determine eligibility as provided in subdivision 4, paragraph (c), and may deny or terminate benefits as prescribed under subdivision 4, paragraphs (d) and (e). The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:~~

(b) A person is eligible for additional benefits under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(c) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:

- (1) \$3,000 per state fiscal year; and
- (2) \$10,000 in a lifetime.

(d) If an eligible person receives benefits under subdivision 5 or 5a, the eligible person's aggregate benefits under this subdivision, subdivisions 5, and 5a, must not exceed \$10,000 in the eligible person's lifetime.

~~(e)~~ (e) A person eligible under this subdivision may use the benefit amounts for the following purposes:

(1) licensing or certification tests, the successful completion of which demonstrates an individual's possession of the knowledge or skill required to enter into, maintain, or advance in employment in a predetermined and identified vocation or profession, provided that the tests and the licensing or credentialing organizations or entities that offer the tests are approved by the commissioner;

(2) tests for admission to institutions of higher learning or graduate schools;

(3) national tests providing an opportunity for course credit at institutions of higher learning;

(4) a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate program; and

(5) any fee associated with the pursuit of a professional or educational objective specified in clauses (1) to (4).

~~(d) If an eligible person receives benefits under subdivision 5, the eligible person's aggregate benefits under this subdivision and subdivision 5 must not exceed \$10,000 in the eligible person's lifetime.~~

~~(e) If an eligible person receives benefits under subdivision 5a, the eligible person's aggregate benefits under this subdivision and subdivision 5a must not exceed \$10,000 in the eligible person's lifetime.~~

Sec. 9. Minnesota Statutes 2020, section 198.006, is amended to read:

198.006 SUPPLEMENTAL PROGRAMS.

(a) The commissioner ~~shall~~ must work with federal, state, local, and private agencies to develop alternative institutional and noninstitutional care programs for veterans to supplement the mission of the homes. Veterans shall be afforded the least restrictive, most appropriate level of care available.

(b) The commissioner may work with federal, state, local, and private entities to make available appropriate dental services for veterans homes residents. The commissioner may engage with the United States Department of Veterans Affairs to support the dental benefits program authorized under this paragraph.

(c) The commissioner may provide adult day care center programs that offer therapeutic and rehabilitation health care services to veterans and support services for caregivers of veterans. If the commissioner provides adult day care center programs, the commissioner may collect fees from program participants. The commissioner is authorized to apply for and accept federal funding for purposes of this paragraph.

Sec. 10. Minnesota Statutes 2020, section 198.03, subdivision 2, is amended to read:

Subd. 2. **Cost of care.** (a) The commissioner shall set out in rules the method of calculating the average cost of care for the domiciliary and nursing care residents. The cost must be determined yearly based upon the average cost per resident taking into account, but not limited to, administrative cost of the homes, the cost of service available to the resident, and food and lodging costs. These average costs must be calculated separately for domiciliary and nursing care residents. The amount charged each resident for maintenance, if anything, must be based on the appropriate average cost of care calculation and the assets and income of the resident but must not exceed the appropriate average cost of care.

(b) Beginning July 1, 2021, the Personal Needs Allowance (PNA) for domiciliary residents must be based on the Minnesota Department of Human Services' (DHS) most recent General Assistance program PNA and is in effect the same date as the DHS PNA is in effect. Thereafter, the PNA for domiciliary residents must be adjusted and put into effect each year or each time DHS adjusts the General Assistance program PNA.

Sec. 11. **[198.45] REPORT ON VETERANS HOMES.**

No later than January 15, 2022, and biennially on January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs and state government finance on reserve amounts maintained in the veterans homes special revenue account. The report must detail current and historical amounts maintained as a reserve and uses of those amounts. The report must also include data on the use of existing veterans homes, including current and historical bed capacity and usage, staffing levels and staff vacancy rates, and staff-to-resident ratios.

Sec. 12. Minnesota Statutes 2020, section 609.095, is amended to read:

609.095 LIMITS OF SENTENCES.

(a) The legislature has the exclusive authority to define crimes and offenses and the range of the sentences or punishments for their violation. No other or different sentence or punishment shall be imposed for the commission of a crime than is authorized by this chapter or other applicable law.

(b) Except as provided in section 152.18 ~~or~~, 609.1056, 609.375, or upon agreement of the parties, a court may not refuse to adjudicate the guilt of a defendant who tenders a guilty plea in accordance with Minnesota Rules of Criminal Procedure, rule 15, or who has been found guilty by a court or jury following a trial. A decision by the court to issue a stay of adjudication under this paragraph for a charge of violating section 243.166, 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453, must be justified in writing and on the record.

(c) Paragraph (b) does not supersede Minnesota Rules of Criminal Procedure, rule 26.04.

Sec. 13. **[609.1056] MILITARY VETERANS; CRIMES COMMITTED BECAUSE OF CONDITIONS RESULTING FROM SERVICE; DISCHARGE AND DISMISSAL.**

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given:

(1) "applicable condition" means sexual trauma, traumatic brain injury, posttraumatic stress disorder, substance abuse, or a mental health condition;

(2) "eligible offense" means any misdemeanor or gross misdemeanor, and any felony that is ranked at severity level 7 or lower or D7 or lower on the Sentencing Guidelines grid; and

(3) "veterans treatment court program" means a program that has the following essential characteristics:

(i) the integration of services in the processing of cases in the judicial system;

(ii) the use of a nonadversarial approach involving prosecutors and defense attorneys to promote public safety and to protect the due process rights of program participants;

(iii) early identification and prompt placement of eligible participants in the program;

(iv) access to a continuum of alcohol, controlled substance, mental health, and other related treatment and rehabilitative services;

(v) careful monitoring of treatment and services provided to program participants;

(vi) a coordinated strategy to govern program responses to participants' compliance;

(vii) ongoing judicial interaction with program participants;

(viii) monitoring and evaluation of program goals and effectiveness;

(ix) continuing interdisciplinary education to promote effective program planning, implementation, and operations;

(x) development of partnerships with public agencies and community organizations, including the United States Department of Veterans Affairs; and

(xi) inclusion of a participant's family members who agree to be involved in the treatment and services provided to the participant under the program.

Subd. 2. **Deferred prosecution.** (a) The court shall defer prosecution for an eligible offense committed by a defendant who was, or currently is, a member of the United States military as provided in this subdivision. The court shall defer prosecution at the request of the defendant upon a finding of guilty after trial or upon a guilty plea.

(b) A defendant who requests to be sentenced under this section shall release or authorize access to military service reports and records relating to an alleged applicable condition stemming from service in the United States military. The court must file the records as confidential, and the records must remain sealed, except as provided in this paragraph. The defendant, through existing records or licensed professional evaluation, shall establish the diagnosis of the applicable condition and its connection to military service. The court, on its motion or the prosecutor's motion with notice to defense counsel, may order the defendant to furnish to the court for in-camera review or to the prosecutor copies of all medical and military service reports and records previously or subsequently made concerning the defendant's condition and its connection to service.

(c) Based on the record, the court shall determine, by clear and convincing evidence, whether the defendant suffers from an applicable condition, whether that condition stems from service in the United States military, and whether the offense was committed as a result of the applicable condition. Within 15 days of the court's findings, either party may file a challenge to the findings and demand a hearing on the defendant's eligibility under this section.

(d) If the court makes the determination described in paragraph (c), the court shall, without entering a judgment of guilty, defer further proceedings and place the defendant on probation upon such reasonable conditions as it may require and for a period not to exceed the maximum period provided by law. A court may extend a defendant's term of probation pursuant to section 609.135, subdivision 2, paragraphs (g) and (h). Conditions ordered by the court must include treatment, services, rehabilitation, and education sufficient so that if completed, the defendant would be eligible for discharge and dismissal under subdivision 3. If the court determines that a defendant suffers from a substance use disorder, the court shall order a Rule 25 assessment under Minnesota Rules, part 9530.6615, and order the defendant to follow the recommendations contained in the assessment. If the court determines that a defendant suffers from posttraumatic stress disorder, sexual trauma, traumatic brain injury, or other mental health conditions, the court shall order a mental health assessment conducted by a licensed mental health professional and follow the recommendations contained in the examiner's report.

(e) If the court determines that the defendant is eligible for a deferred sentence but the defendant has previously received a deferred sentence for a felony offense under this subdivision, the court may, but is not required to, impose a deferred sentence. If the court does not impose a deferred sentence, the court may sentence the defendant as otherwise provided in law, including as provided in subdivision 4.

(f) Upon violation of a condition of probation, the court may enter an adjudication of guilt and proceed as otherwise provided in law, including as provided in subdivision 4.

(g) As a condition of probation, the court may order the defendant to attend a local, state, federal, or private nonprofit treatment program for a period not to exceed the maximum period for which the defendant could have been incarcerated.

(h) The court, when issuing an order under this subdivision that a defendant attend an established treatment program, shall give preference to a treatment program that has a history of successfully treating veterans who suffer from applicable conditions caused by military service, including but not limited to programs operated by the United States Department of Defense or Veterans Affairs.

(i) The court and any assigned treatment program shall collaborate with, when available, the county veterans service officer and the United States Department of Veterans Affairs to maximize benefits and services provided to the defendant. If an appropriate treatment provider is not available in the defendant's county of residence or public funding is not available, the Minnesota Department of Veterans Affairs shall coordinate with the United States Department of Veterans Affairs to locate an appropriate treatment program and sources to fund the cost of the defendant's participation in the program.

(j) If available in the county or judicial district having jurisdiction over the case, the defendant may be supervised by a veterans treatment court program under subdivision 5. If there is a veterans

treatment court that meets the requirements of subdivision 5 in the county in which the defendant resides or works, supervision of the defendant may be transferred to that county or judicial district veterans treatment court program. Upon the defendant's successful or unsuccessful completion of the program, the veterans treatment court program shall communicate this information to the court of original jurisdiction for further action.

(k) Sentencing pursuant to this subdivision waives any right to administrative review pursuant to section 169A.53, subdivision 1, or judicial review pursuant to section 169A.53, subdivision 2, for a license revocation or cancellation imposed pursuant to section 169A.52, and also waives any right to administrative review pursuant to section 171.177, subdivision 10, or judicial review pursuant to section 171.177, subdivision 11, for a license revocation or cancellation imposed pursuant to section 171.177, if that license revocation or cancellation is the result of the same incident for which the defendant is being sentenced.

Subd. 3. **Discharge and dismissal.** (a) Upon the expiration of the period of the defendant's probation, the court shall hold a hearing to discharge the defendant from probation and determine whether to dismiss the proceedings against a defendant who received a deferred sentence under subdivision 2. The hearing shall be scheduled so that the parties have adequate time to prepare and present arguments regarding the issue of dismissal. The parties may submit written arguments to the court prior to the date of the hearing and may make oral arguments before the court at the hearing. The defendant must be present at the hearing unless excused under Minnesota Rules of Criminal Procedure, rule 26.03, subdivision 1, clause (3).

(b) The court shall provide notice to any identifiable victim of the offense at least 15 days before the hearing is held. Notice to victims of the offense under this subdivision must specifically inform the victim of the right to submit an oral or written statement to the court at the time of the hearing describing the harm suffered by the victim as a result of the crime and the victim's recommendation on whether dismissal should be granted or denied. The judge shall consider the victim's statement when making a decision. If a victim notifies the prosecutor of an objection to dismissal and is not present at the hearing, the prosecutor shall make the objections known to the court.

(c) The court shall dismiss proceedings against a defendant if the court finds by clear and convincing evidence that the defendant:

(1) is in compliance with the conditions of probation;

(2) has successfully completed court-ordered treatment and services to address the applicable condition caused by military service;

(3) does not represent a danger to the health or safety of victims or others; and

(4) has demonstrated significant benefit from court-ordered education, treatment, or rehabilitation to clearly show that a discharge and dismissal under this subdivision is in the interests of justice.

(d) In determining the interests of justice, the court shall consider, among other factors, all of the following:

(1) the defendant's completion and degree of participation in education, treatment, and rehabilitation as ordered by the court;

- (2) the defendant's progress in formal education;
- (3) the defendant's development of career potential;
- (4) the defendant's leadership and personal responsibility efforts;
- (5) the defendant's contribution of service in support of the community;
- (6) the level of harm to the community from the offense;

(7) the level of harm to the victim from the offense with the court's determination of harm guided by the factors for evaluating injury and loss contained in the applicable victim's rights provisions of chapter 611A; and

- (8) the statement of the victim, if any.

(e) If the court finds that the defendant does not qualify for discharge and dismissal under paragraph (c), the court shall enter an adjudication of guilt and proceed as otherwise provided in law, including as provided in subdivision 4.

(f) Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a not public record of the discharge and dismissal shall be retained by the Bureau of Criminal Apprehension for the purpose of use by the courts in determining the merits of subsequent proceedings against the defendant. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the bureau shall notify the requesting party of the existence of the not public record and the right to seek a court order to open the not public record under this paragraph. The court shall forward a record of any discharge and dismissal under this subdivision to the bureau, which shall make and maintain the not public record of the discharge and dismissal. The discharge and dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose. For purposes of this paragraph, "not public" has the meaning given in section 13.02, subdivision 8a.

Subd. 4. **Sentencing departure; waiver of mandatory sentence.** (a) This subdivision applies to defendants who plead or are found guilty of any criminal offense except one for which registration is required under section 243.166, subdivision 1b.

(b) Prior to sentencing, a defendant described in paragraph (a) may present proof to the court that the defendant has, since the commission of the offense, engaged in rehabilitative efforts consistent with those described in this section. If the court determines that the defendant has engaged in substantial rehabilitative efforts and the defendant establishes by clear and convincing evidence that:

- (1) the defendant suffered from an applicable condition at the time of the offense;
- (2) the applicable condition was caused by service in the United States military; and
- (3) the offense was committed as a result of the applicable condition;

the court may determine that the defendant is particularly amenable to probation and order a mitigated durational or dispositional sentencing departure or a waiver of any statutory mandatory minimum sentence applicable to the defendant.

Subd. 5. Optional veterans treatment court program; procedures for eligible defendants.

A county or judicial district may supervise probation under this section through a veterans treatment court using county veterans service officers appointed under sections 197.60 to 197.606, United States Department of Veterans Affairs veterans justice outreach specialists, probation agents, and any other rehabilitative resources available to the court.

Subd. 6. Creation of county and city diversion programs; authorization. Any county or city may establish and operate a veterans pretrial diversion program for defendants eligible under subdivision 1 without penalty under section 477A.0175. "Pretrial diversion" means the decision of a prosecutor to refer a defendant to a diversion program on the condition that the criminal charges against the defendant shall be dismissed after a specified period of time or the case shall not be charged, if the defendant successfully completes the program of treatment recommended by the United States Department of Veterans Affairs or a local, state, federal, or private nonprofit treatment program.

Subd. 7. Exception. This section does not apply to a person charged with an offense for which registration is required under section 243.166, subdivision 1b.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 14. COST OF CARE; TEMPORARY SUSPENSION OF RULE.

Notwithstanding Minnesota Rules, part 9050.0500, subparts 1, 2 and 3, the commissioner of veterans affairs is not required to perform the annual calculation of costs of care for veterans homes in fiscal year 2022. For fiscal year 2022, the commissioner may apply the cost of care established for fiscal year 2021. The commissioner may only suspend application of Minnesota Rules, part 9050.0500, subparts 1, 2, and 3, in fiscal year 2022. This section expires on June 30, 2022.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 15. REVISOR INSTRUCTION.

The revisor of statutes must renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor must also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

Column A

197.791, subdivision 5a

197.791, subdivision 5b

197.791, subdivision 6

Column B

197.791, subdivision 6

197.791, subdivision 7

197.791, subdivision 8

ARTICLE 4**ELECTIONS**

Section 1. Minnesota Statutes 2020, section 201.071, subdivision 2, is amended to read:

Subd. 2. **Instructions.** (a) A registration application shall be accompanied by instructions specifying the manner and method of registration, the qualifications for voting, the penalties for false registration, and the availability of registration and voting assistance for elderly and disabled individuals and residents of health care facilities and hospitals.

(b) The instructions must indicate that if the voter ~~does not have~~ must provide a valid Minnesota driver's license or identification card number, or the last four digits of the voter's Social Security number must be provided, unless the voter does not have a Social Security number, unless the voter has not been issued one of those numbers.

(c) If, prior to election day, a person requests the instructions in Braille, audio format, or in a version printed in 16-point bold type with 24-point leading, the county auditor shall provide them in the form requested. The secretary of state shall prepare Braille and audio copies and make them available.

Sec. 2. Minnesota Statutes 2020, section 201.121, subdivision 3, is amended to read:

Subd. 3. **Postelection sampling.** (a) Within ten days after an election, the county auditor shall send the notice required by subdivision 2 to a random sampling of the individuals registered on election day. The random sampling shall be determined in accordance with the rules of the secretary of state. As soon as practicable after the election, the county auditor shall mail the notice required by subdivision 2 to all other individuals registered on election day. If a notice is returned as not deliverable, the county auditor shall attempt to determine the reason for the return. A county auditor who does not receive or obtain satisfactory proof of an individual's eligibility to vote shall immediately notify the county attorney of all of the relevant information. ~~The~~ By February 15 of each year, the county auditor must notify the secretary of state of the following information for each election held in the previous year by each precinct:

- (1) the total number of all notices that were returned as nondeliverable;
- (2) the total number of nondeliverable notices that the county auditor was able to determine the reason for the return along with the reason for each return; and
- (3) the total number of individuals for whom the county auditor does not receive or obtain satisfactory proof of an individual's eligibility to vote.

(b) By March 1 of every ~~odd-numbered~~ year, the secretary of state shall report to the chair and ranking minority members of the legislative committees with jurisdiction over elections the following information for each election held in the previous year by each precinct and each county:

- (1) the total number of all notices that were returned as nondeliverable;
- (2) the total number of nondeliverable notices that a county auditor was able to determine the reason for the return along with the reason for each return; and

(3) the total number of individuals for whom the county auditor does not receive or obtain satisfactory proof of an individual's eligibility to vote.

Sec. 3. Minnesota Statutes 2020, section 203B.08, subdivision 1, is amended to read:

Subdivision 1. **Marking and return by voter.** (a) An eligible voter who receives absentee ballots as provided in this chapter shall mark them in the manner specified in the directions for casting the absentee ballots. The return envelope containing marked ballots may be mailed as provided in the directions for casting the absentee ballots or, may be left with the county auditor or municipal clerk who transmitted the absentee ballots to the voter, or may be left in a drop box as provided in section 203B.082. If delivered in person, the return envelope must be submitted to the county auditor or municipal clerk by 3:00 p.m. on election day.

(b) The voter may designate an agent to deliver in person the sealed absentee ballot return envelope to the county auditor or municipal clerk or to deposit the return envelope in the mail. An agent may deliver or mail the return envelopes of not more than three voters in any election. Any person designated as an agent who tampers with either the return envelope or the voted ballots or does not immediately mail or deliver the return envelope to the county auditor or municipal clerk is guilty of a misdemeanor.

Sec. 4. Minnesota Statutes 2020, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope and place it in a ~~secure location~~ locked ballot container or other secured and locked space with other return envelopes received by that office. Within five days after receipt, the county auditor or municipal clerk shall deliver to the ballot board all ballots received, except that during the 14 days immediately preceding an election, the county auditor or municipal clerk shall deliver all ballots received to the ballot board within three days. Ballots received on election day either (1) after 3:00 p.m., if delivered in person; or (2) after 8:00 p.m., if delivered by mail or a package delivery service, shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

Sec. 5. **[203B.082] ABSENTEE BALLOT DROP BOXES; SECURITY AND INTEGRITY.**

Subdivision 1. **Definition.** As used in this section, "drop box" means a secure receptacle or container established to receive completed absentee ballots 24 hours per day. Drop box does not include a receptacle or container maintained by the United States Postal Service, or a location at which a voter or an agent may return a completed absentee ballot by providing it directly to an employee of the county auditor or municipal clerk.

Subd. 2. **Minimum security and integrity standards.** The county auditor or municipal clerk may provide locations at which a voter may deposit a completed absentee ballot enclosed in the completed signature envelope in a secure drop box, consistent with the following security and integrity standards:

(1) each drop box must be continually recorded during the absentee voting period;

(2) each drop box must be designed to prevent an unauthorized person from moving, removing, or tampering with the drop box;

(3) each drop box placed in an outdoor location must be fastened to a building, bolted to a concrete pad, or otherwise attached to a similarly secure structure;

(4) ballots deposited in a drop box must be secured against access by any unauthorized person, and in the case of a drop box located in an outdoor location, the drop box must be secured against damage due to weather or other natural conditions;

(5) each drop box must contain signage or markings that:

(i) clearly identifies the drop box as an official absentee ballot return location; and

(ii) include the location and hours where an agent may return an absentee ballot;

(6) deposited ballots must be collected at least once per business day during the absentee voting period by the county auditor, municipal clerk, or an elections official trained by the county auditor or municipal clerk in the proper maintenance and handling of absentee ballots and absentee ballot drop boxes, and in the security measures used to protect absentee ballots; and

(7) ballots collected from each drop box must be properly date-stamped and stored in a locked ballot container or other secured and locked space consistent with any applicable laws governing the collection and storage of absentee ballots.

Subd. 3. Publication of locations required. (a) The county auditor or municipal clerk must provide a list of designated absentee ballot drop box locations to the secretary of state no later than 40 days prior to the start of the absentee voting period at every regularly scheduled primary or general election. The list must be published on the website of the county or municipality and on the website of the secretary of state at least 35 days prior to the start of the absentee voting period.

(b) The county auditor or municipal clerk must provide an updated list of designated absentee ballot drop box locations to the secretary of state no later than 20 days prior to the start of the absentee voting period at every regularly scheduled primary or general election, if any locations have changed or been added since submission of the list under paragraph (a). The list must be published on the website of the county or municipality and on the website of the secretary of state at least 15 days prior to the start of the absentee voting period.

Subd. 4. Electioneering prohibited. Section 211B.11 applies to conduct within 100 feet of an absentee ballot drop box established under this section.

Sec. 6. Minnesota Statutes 2020, section 203B.121, subdivision 1, is amended to read:

Subdivision 1. **Establishment; applicable laws.** (a) The governing body of each county, municipality, and school district with responsibility to accept and reject absentee ballots must, by ordinance or resolution, establish a ballot board. The board must consist of a sufficient number of election judges ~~trained in the handling of absentee ballots and~~ appointed as provided in sections 204B.19 to 204B.22. The board may include deputy county auditors or deputy city clerks who have received training in the processing and counting of absentee ballots. Each member of the ballot

board must be provided adequate training on the processing and counting of absentee ballots, including but not limited to instruction on accepting and rejecting absentee ballots, storage of absentee ballots, timelines and deadlines, the role of the ballot board, procedures for opening absentee ballot envelopes, procedures for counting absentee ballots, and procedures for reporting absentee ballot totals.

(b) Each jurisdiction must pay a reasonable compensation to each member of that jurisdiction's ballot board for services rendered during an election.

(c) Except as otherwise provided by this section, all provisions of the Minnesota Election Law apply to a ballot board.

Sec. 7. Minnesota Statutes 2020, section 204B.14, subdivision 3, is amended to read:

Subd. 3. **Boundary changes; prohibitions; exception.** (a) Notwithstanding other law or charter provisions to the contrary, during the period from January 1 in any year ending in zero to the time when the legislature has been redistricted in a year ending in one or two, no changes may be made in the boundaries of any election precinct except as provided in this subdivision.

~~(a)~~ (b) If a city annexes an unincorporated area located in the same county as the city and adjacent to the corporate boundary, the annexed area may be included in an election precinct immediately adjacent to it.

~~(b)~~ (c) A municipality or county may establish new election precincts lying entirely within the boundaries of any existing precinct and shall assign names to the new precincts which include the name of the former precinct.

~~(c)~~ (d) Precinct boundaries in a city of the first class electing council members by wards may be reestablished within four weeks of the adoption of ward boundaries in a year ending in one, as provided in section 204B.135, subdivision 1. If precinct boundaries are reestablished in a year ending in one, the city council must designate polling places for each election precinct pursuant to section 204B.16, subdivision 1, within 30 days establishing precinct boundaries. The polling place designations are effective for the year ending in one.

~~(d)~~ (e) Precinct boundaries must be reestablished within 60 days of the time when the legislature has been redistricted, or at least 19 weeks before the state primary election in a year ending in two, whichever comes first. The governing body of each municipality and of each county with precincts in unorganized territory must designate polling places for each election precinct pursuant to section 204B.16, subdivision 1, within 30 days of establishing precinct boundaries or at least 19 weeks before the state primary election in a year ending in two, whichever comes first. The adoption of reestablished precinct boundaries and polling places becomes effective on the date of the state primary election in the year ending in two.

(f) Precincts must be arranged so that no precinct lies in more than one legislative or congressional district.

Sec. 8. Minnesota Statutes 2020, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** By December 31 of each year, the governing body of each municipality and of each county with precincts in unorganized territory must designate by ordinance or resolution a polling place for each election precinct. The polling places designated in the ordinance or resolution are the polling places for the following calendar year, unless a change is made:

- (1) pursuant to section 204B.175;
- (2) because a polling place has become unavailable; ~~or~~
- (3) because a township designates one location for all state and federal elections and one location for all township only elections; and
- (4) pursuant to section 204B.14, subdivision 3.

(b) Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within one mile of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 9. Minnesota Statutes 2020, section 204B.18, subdivision 1, is amended to read:

Subdivision 1. **Booths; voting stations.** (a) Each polling place must contain a number of voting booths or voting stations in proportion to the number of individuals eligible to vote in the precinct. The booth or station shall permit the voter to vote privately and independently.

(b) Each polling place must have at least one accessible voting booth or other accessible voting station and beginning with federal and state elections held after December 31, 2005, and county, municipal, and school district elections held after December 31, 2007, one voting system that conforms to section 301(a)(3)(B) of the Help America Vote Act, Public Law 107-252.

(c) Local jurisdictions must make accessible voting stations purchased with funds provided from the Help America Vote Act account available to other local jurisdictions holding stand-alone elections. The jurisdiction providing the equipment may require the jurisdiction using the equipment to reimburse any direct actual costs incurred as a result of the equipment's use and any prorated indirect costs of maintaining and storing the equipment. A rental or other similar use fee may not be charged.

Any funds received under this paragraph for expenses incurred by that local jurisdiction as a direct result of making the equipment available that were not paid for in whole or in part with funds from the Help America Vote Act account are not program income under the Help America Vote Act, Public Law 107-252.

Any funds received by a local jurisdiction making the equipment available as reimbursement for expenses as defined as "operating costs" under Laws 2005, chapter 162, section 34, subdivision 1, paragraph (b), and paid for in whole or in part with funds from the Help America Vote Act account must be treated as program income and deposited into the jurisdiction's Help America Vote Act account in the direct proportion that funds from the Help America Vote Act account were used to pay for those "operating costs."

(d) All booths or stations must be constructed so that a voter is free from observation while marking ballots. During the hours of voting, the booths or stations must have instructions, a ~~pen~~ pen or other marking device suitable for the voting system being used, and other supplies needed to mark the ballots. A chair must be provided for elderly voters and voters with disabilities to use while voting or waiting to vote. Stable flat writing surfaces must also be made available to voters who are completing election-related forms.

(e) All ballot boxes, voting booths, voting stations, and election judges must be in open public view in the polling place.

(f) The jurisdiction providing supplies must only provide pens or marking devices suitable for the voting system being used.

Sec. 10. Minnesota Statutes 2020, section 204B.40, is amended to read:

204B.40 BALLOTS; ELECTION RECORDS AND OTHER MATERIALS; DISPOSITION; INSPECTION OF BALLOTS.

The county auditors, municipal clerks, and school district clerks shall retain all election materials returned to them after any election for at least 22 months from the date of that election. All records and materials must be stored in a locked container or other secured and locked space. All election materials involved in a contested election must be retained for 22 months or until the contest has been finally determined, whichever is later. Abstracts filed by canvassing boards shall be retained permanently by any officer with whom those abstracts are filed. Election materials no longer required to be retained pursuant to this section shall be disposed of in accordance with sections 138.163 to 138.21. Sealed envelopes containing voted ballots must be retained unopened, except as provided in this section, in a secure location. The county auditor, municipal clerk, or school district clerk shall not permit any voted ballots to be tampered with or defaced.

After the time for filing a notice of contest for an election has passed, the secretary of state may, for the purpose of monitoring and evaluating election procedures: (1) open the sealed ballot envelopes and inspect the ballots for that election maintained by the county auditors, municipal clerks, or school district clerks; (2) inspect the polling place rosters and completed voter registration applications; or (3) examine other forms required in the Minnesota election laws for use in the polling place. No inspected ballot or document may be marked or identified in any manner. After inspection, all ballots must be returned to the ballot envelope and the ballot envelope must be securely resealed. Any other election materials inspected or examined must be secured or resealed. No polling place roster may be inspected until the voting history for that precinct has been posted. No voter registration application may be inspected until the information on it has been entered into the statewide registration system.

Sec. 11. Minnesota Statutes 2020, section 204C.13, subdivision 3, is amended to read:

Subd. 3. **Marking ballots.** (a) The voter shall mark each ballot ~~in the following manner: as provided in this subdivision.~~

~~(a)~~ (b) The voter shall fill in the oval or similar mark if a different target shape is used, opposite the printed name of each candidate for whom the individual desires to vote, and in the oval or other target shape before the "Yes" or "No" if the individual desires to vote for or against a question.

~~(b)~~ (c) The voter may write in other names on the lines provided under the printed names of the candidates, except that no names shall be written in on primary ballots.

~~(c)~~ (d) At a state primary an individual may vote for candidates of only one major political party on the partisan primary ballot. If a partisan primary ballot contains votes for the candidates of more than one major political party, the ballot is totally defective and no vote on the partisan section of the ballot shall be counted.

~~(d)~~ (e) An individual who spoils a ballot may return it to the election judges and receive another.

Sec. 12. Minnesota Statutes 2020, section 204C.35, is amended by adding a subdivision to read:

Subd. 2a. **Constitutional amendment recount.** In a state general election when the difference between the number of "yes" votes cast on ratification of a proposed constitutional amendment is within one-quarter percent of the number of all other ballots cast at the election, the canvassing board shall manually recount the votes on that question, including the number of "yes" or "no" votes on the question, and the number of ballots that did not cast a vote on the question. The results of the recount must be certified by the canvassing board as soon as possible.

Sec. 13. Minnesota Statutes 2020, section 204C.35, subdivision 3, is amended to read:

Subd. 3. **Scope of recount.** A recount conducted as provided in this section is limited in scope to the determination of the number of votes validly cast for the office or question to be recounted. Only the ballots cast in the election and the summary statements certified by the election judges may be considered in the recount process. Original ballots that have been duplicated under section 206.86, subdivision 5, are not within the scope of a recount and must not be examined except as provided by a court in an election contest under chapter 209.

ARTICLE 5

FEDERAL FUNDS

Section 1. Laws 2020, Fifth Special Session chapter 3, article 9, section 13, is amended to read:

Sec. 13. **FUND MAXIMIZATION.**

On or after December 31, 2020, the commissioner of management and budget is authorized to use best efforts to maximize the use of federal CARES Act funding, consistent with applicable federal guidance, ~~and to use any unobligated amounts to fund eligible state activities appropriated for.~~ The commissioner may reduce general fund appropriations and transfers in Laws 2020, chapters chapter 66, 70, 71, 74, or 81, or Laws 2020, Seventh Special Session chapter 2, and corresponding

funding amounts are appropriated from the federal coronavirus relief fund up to the unobligated balance of the fund.

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

Sec. 2. **COVID-19 FLEXIBLE RESPONSE ACCOUNT.**

Subdivision 1. **Account created.** The COVID-19 flexible response account is created within the state fiscal recovery federal fund in the state treasury to pay expenditures eligible under federal guidance for the state fiscal recovery federal fund. \$425,000,000 is transferred from the state fiscal recovery federal fund to the COVID-19 flexible response account and is appropriated to the commissioner of management and budget. The commissioner may transfer funds appropriated under this subdivision to state agencies as necessary. This is a onetime appropriation. Any money in the account that remains unallocated on July 1, 2022, cancels to the state fiscal recovery federal fund. Allocated funds are available until June 30, 2023.

Subd. 2. **Legislative COVID-19 Response Commission review.** (a) The Legislative COVID-19 Response Commission established under Laws 2020, chapter 71, article 1, section 7, will review proposed allocations from the COVID-19 flexible response account.

(b) The commissioner of management and budget must submit proposed single expenditures from the COVID-19 flexible response account that exceed \$2,500,000 to the Legislative COVID-19 Response Commission for its review and recommendations. The submission must include the total amount of the proposed expenditure, the purpose of the proposed expenditure, the time period of the proposed expenditure, and any additional information the commissioner of management and budget determines necessary to properly document the proposed expenditure. Upon receiving a submission, the commission has three days after the request is submitted to review the proposed expenditures submitted under this subdivision.

(c) Commission members may make a positive recommendation, a negative recommendation, or no recommendation on a proposed expenditure. If a majority of the commission members from the senate and a majority of the commission members from the house of representatives make a negative recommendation on a proposed expenditure, the commissioner is prohibited from expending the money. If a majority of the commission members from the senate and a majority of the commission members from the house of representatives do not make a negative recommendation, or if the commission makes no recommendation, the commissioner may expend the money.

(d) The commission may hold a public meeting to approve or disapprove a proposed expenditure from the COVID-19 flexible response account. Notwithstanding Minnesota Statutes, section 3.055, the commission may conduct a public meeting remotely. The commission may approve or disapprove proposed expenditures without a public meeting. The commission members may approve or disapprove proposed expenditures via written communication sent to the commissioner of management and budget.

Subd. 3. **Monthly expenditure report.** The commissioner of management and budget must provide reports on the spending from the COVID-19 flexible response account to the Legislative COVID-19 Response Commission on the last day of each month. The report must include the total amount of each expenditure, the purpose of each expenditure, and any additional information the

commissioner of management and budget determines is necessary to properly document each expenditure.

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

Sec. 3. REVENUE REPLACEMENT; AMERICAN RESCUE PLAN ACT STATE FISCAL RECOVERY FEDERAL FUND.

Subdivision 1. **Transfer.** \$633,100,000 in fiscal year 2023 and \$550,000,000 in fiscal year 2024 are transferred from the state fiscal recovery federal fund to the general fund for the provision of government services. The fiscal year 2024 transfer must occur prior to December 15, 2024. The transfers in this subdivision are onetime.

Subd. 2. **State appropriation alternative.** (a) If the commissioner of management and budget determines that the transfers in subdivision 1 are ineligible uses of the state fiscal recovery federal fund, the transfers in subdivision 1 are canceled, and \$633,100,000 is appropriated from the state fiscal recovery federal fund in fiscal year 2022 to the commissioner of management and budget to replace eligible general fund appropriations in the biennium beginning July 1, 2021. Money appropriated to the commissioner of management and budget is available in either year of the biennium and may be disbursed or transferred to state agencies as necessary. The general fund appropriations being replaced are canceled. The commissioner of management and budget must determine eligible appropriations consistent with Public Law 117-2, and its corresponding guidance for use of the state fiscal recovery federal fund. For purposes of this subdivision, an ineligible use includes one that violates a maintenance of effort requirement.

(b) If the commissioner of management and budget implements the appropriations in paragraph (a), the commissioner must cancel \$550,000,000 of the forecasted general fund appropriations in the biennium beginning July 1, 2023, that are eligible to be replaced with the state fiscal recovery federal fund, under Public Law 117-2, and its corresponding guidance consistent with the method used in paragraph (a). The commissioner must allocate \$550,000,000 from the state fiscal recovery federal fund from the biennium beginning July 1, 2023, to replace the canceled general fund appropriations. The allocations made by the commissioner are appropriated in fiscal year 2024 from the state fiscal recovery federal fund and are available in either year of the biennium, but must be obligated by December 31, 2024. This is a onetime appropriation.

(c) Prior to implementing any appropriations or planning estimates under this subdivision, the commissioner of management and budget must submit the proposed appropriation and planning estimate changes to the Legislative Advisory Commission for review. Legislative Advisory Commission members have up to ten days to submit any recommendations regarding the appropriations to the commissioner.

Subd. 3. **General fund restoration.** If general fund appropriations in subdivisions 2 and 3 are reduced or replaced with state fiscal recovery federal fund appropriations, those state fiscal recovery federal fund appropriations are onetime for those years indicated, and the general fund appropriation base amounts are reinstated in subsequent fiscal years.

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

Sec. 4. SUSPENSION OF STATUTORY APPROPRIATION; AMERICAN RESCUE PLAN ACT STATE FISCAL RECOVERY FEDERAL FUND.

(a) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, \$1,150,000,000 of the federal funds received by the state of Minnesota from its state fiscal recovery federal fund allocation under Public Law 117-2, must not be spent except pursuant to a direct appropriation by law.

(b) If the funds in this section are not appropriated by the expiration of paragraph (a), the remaining funds in paragraph (a) are appropriated to the commissioner of management and budget. The commissioner of management and budget may transfer funds appropriated under this paragraph to state agencies as necessary. Before spending federal funds appropriated in this section, the commissioner of management and budget shall report allocations of funds appropriated under this section and their intended purpose to the Legislative Advisory Commission, consistent with the urgent federal funds request procedure under Minnesota Statutes, section 3.3005, subdivisions 4 and 5.

EFFECTIVE DATE. Paragraph (a) is effective the day following final enactment and is retroactive to May 17, 2021. Paragraph (a) expires June 15, 2022. Paragraph (b) is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government operation; appropriating money for certain constitutional offices, legislature, certain state agencies, offices, departments, boards, commissions, certain retirement accounts, general contingent accounts, tort claims, state lottery, Minnesota Historical Society, Minnesota Humanities Center, and military and veterans affairs; canceling certain fiscal year appropriations; making changes to policy provisions in state government operations; changing military and veterans affairs policy provisions; modifying election policy provisions; establishing provisions for federal funds; amending Minnesota Statutes 2020, sections 10.578; 14.389, subdivision 5; 15.057, as amended; 16A.06, by adding a subdivision; 16B.24, by adding a subdivision; 138.38; 155A.23, subdivision 16; 190.07; 197.791, subdivisions 4, 5, 5a, 5b; 198.006; 198.03, subdivision 2; 201.071, subdivision 2; 201.121, subdivision 3; 203B.08, subdivisions 1, 3; 203B.121, subdivision 1; 204B.14, subdivision 3; 204B.16, subdivision 1; 204B.18, subdivision 1; 204B.40; 204C.13, subdivision 3; 204C.35, subdivision 3, by adding a subdivision; 240.01, subdivision 18; 240.06, subdivision 7; 240.11; 240.131, subdivision 7; 240.24, subdivisions 2a, 3; 240.30, subdivision 5; 270C.21; 477A.03, subdivision 2b; 609.095; 645.071; Laws 2019, First Special Session chapter 10, article 1, section 40; Laws 2020, chapter 77, section 3, subdivision 6; Laws 2020, Fifth Special Session chapter 3, article 9, section 13; proposing coding for new law in Minnesota Statutes, chapters 3; 10; 16A; 43A; 196; 198; 203B; 609."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 23 and 2 were read the second time.

ADJOURNMENT

Senator Benson moved that the Senate do now adjourn until 1:00 p.m., Friday, June 25, 2021.
The motion prevailed.

Cal R. Ludeman, Secretary of the Senate