

STATE OF MINNESOTA

NINETIETH SESSION — 2017

 THIRTY-FIFTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 28, 2017

The House of Representatives convened at 10:00 a.m. and was called to order by Kurt Daudt, Speaker of the House.

Prayer was offered by the Reverend Richard D. Buller, Valley Community Presbyterian Church, Golden Valley, Minnesota.

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

The roll was called and the following members were present:

| | | | | | |
|--------------|------------|---------------|------------|------------|------------|
| Albright | Davnie | Heintzeman | Lien | O'Driscoll | Slocum |
| Allen | Dean, M. | Hertaus | Lillie | Olson | Smith |
| Anderson, P. | Dehn, R. | Hilstrom | Loeffler | Omar | Sundin |
| Anderson, S. | Dettmer | Hoppe | Lohmer | O'Neill | Swedzinski |
| Anselmo | Drazkowski | Hornstein | Loon | Pelowski | Theis |
| Applebaum | Ecklund | Hortman | Loonan | Peppin | Thissen |
| Bahr, C. | Erickson | Howe | Lucero | Petersburg | Torkelson |
| Baker | Fabian | Jessup | Lueck | Peterson | Uglen |
| Barr, R. | Fenton | Johnson, B. | Mahoney | Pierson | Urdahl |
| Becker-Finn | Fischer | Johnson, C. | Marquart | Pinto | Vogel |
| Bennett | Flanagan | Johnson, S. | Masin | Poppe | Wagenius |
| Bernardy | Franke | Jurgens | Maye Quade | Poston | Ward |
| Bliss | Franson | Kiel | McDonald | Pryor | West |
| Bly | Freiberg | Knoblach | Metsa | Pugh | Whelan |
| Carlson, A. | Garofalo | Koegel | Moran | Quam | Wills |
| Carlson, L. | Green | Koznick | Murphy, E. | Rarick | Youakim |
| Christensen | Grossell | Kresha | Murphy, M. | Rosenthal | Zerwas |
| Clark | Gruenhagen | Kunesh-Podein | Nash | Runbeck | Spk. Daudt |
| Considine | Gunther | Layman | Nelson | Sandstede | |
| Cornish | Haley | Lee | Neu | Sauke | |
| Daniels | Hansen | Lesch | Newberger | Schomacker | |
| Davids | Hausman | Liebling | Nornes | Schultz | |

A quorum was present.

Miller and Scott were excused.

Backer, Halverson and Mariani were excused until 4:30 p.m. Hamilton was excused until 4:45 p.m.

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 4, A bill for an act relating to financing and operation of state and local government; making changes to individual income, corporate franchise, estate, property, sales and use, excise, mineral, tobacco, gambling, special, local, and other miscellaneous taxes and tax-related provisions; modifying provisions related to taxpayer empowerment, local government aids, credits, refunds, in perpetuity payments on land purchases, tax increment financing, and public finance; providing for new income tax subtractions, additions, and credits; establishing a first-time home buyer savings account program; providing for conformity to federal tax extenders by administrative action; modifying the education credit; providing a credit for donations to fund K-12 scholarships; modifying residency definitions; providing estate tax conformity; modifying property tax exemptions, classifications, and refunds; allowing a reverse referendum for property tax levies under certain circumstances; establishing school building bond agricultural tax credit; modifying state general levy; modifying certain local government aids; modifying sales tax definitions and exemptions; providing sales tax exemptions; clarifying the appropriation for sales tax refunds; establishing sales tax collection duties for marketplace providers and certain retailers; dedicating certain sales tax revenues; providing exemptions from sales taxes and property taxes for a Major League Soccer stadium; authorizing certain tax increment financing authority; prohibiting municipalities from taxing paper or plastic bags; modifying county levy authority; authorizing certain local taxes; requiring voter approval for certain transportation sales taxes; restricting rail project expenditures; modifying provisions related to taconite; repealing political contribution refund; modifying taxes on tobacco products and cigarettes; providing for a private letter ruling program; modifying tax administration procedures; dedicating transportation-related taxes; modifying vehicle taxes and fees; making minor policy, technical, and conforming changes; requiring reports; appropriating money; amending Minnesota Statutes 2016, sections 13.4967, by adding a subdivision; 13.51, subdivision 2; 40A.18, subdivision 2; 69.021, subdivision 5; 84.82, subdivision 10; 84.922, subdivision 11; 86B.401, subdivision 12; 97A.056, subdivisions 1a, 3, by adding subdivisions; 116P.02, subdivision 1, by adding subdivisions; 116P.08, subdivisions 1, 4; 123B.63, subdivision 3; 126C.17, subdivision 9; 127A.45, subdivisions 10, 13; 128C.24; 168.013, subdivision 1a, by adding a subdivision; 169.011, by adding a subdivision; 205.10, subdivision 1; 205A.05, subdivision 1; 216B.36; 216B.46; 237.19; 270.071, subdivisions 2, 7, 8, by adding a subdivision; 270.072, subdivisions 2, 3, by adding a subdivision; 270.074, subdivision 1; 270.078, subdivision 1; 270.12, by adding a subdivision; 270.82, subdivision 1; 270A.03, subdivisions 5, 7; 270B.14, subdivision 1, by adding subdivisions; 270C.13, subdivision 1; 270C.171, subdivision 1; 270C.30; 270C.31, by adding a subdivision; 270C.33, subdivisions 5, 8, by adding subdivisions; 270C.34, subdivisions 1, 2; 270C.35, subdivisions 3, 4, by adding a subdivision; 270C.38, subdivision 1; 270C.445, subdivisions 2, 3, 5a, 6, 6a, 6b, 6c, 7, 8, by adding a subdivision; 270C.446, subdivisions 2, 3, 4, 5; 270C.447, subdivisions 1, 2, 3, by adding a subdivision; 270C.72, subdivision 4; 270C.89, subdivision 1; 271.06, subdivisions 2, 2a, 6, 7; 271.08, subdivision 1; 271.18; 272.02, subdivisions 9, 10, 23, 86, by adding a subdivision; 272.0211, subdivision 1; 272.0213; 272.025, subdivision 1; 272.029, subdivisions 2, 4, by adding a subdivision; 272.0295, subdivision 4, by adding a subdivision; 272.115, subdivisions 1, 2, 3; 272.162; 273.061, subdivision 7; 273.0755; 273.08; 273.121, by adding a subdivision; 273.124, subdivisions 3a, 13, 13d, 14, 21; 273.125, subdivision 8; 273.13, subdivisions 22, 23, 25, 34; 273.135, subdivision 1; 273.1392; 273.1393; 273.33, subdivisions 1, 2; 273.371; 273.372, subdivisions 2, 4, by adding subdivisions; 274.01, subdivision 1; 274.014, subdivision 3; 274.13, subdivision 1; 274.135, subdivision 3; 275.025, subdivisions 1, 2, 4, by adding a subdivision; 275.065, subdivisions 1, 3; 275.066; 275.07, subdivisions 1, 2; 275.08, subdivision 1b; 275.60; 275.62, subdivision 2; 276.017, subdivision 3; 276.04, subdivisions 1, 2; 278.01, subdivision 1; 279.01, subdivisions 1, 2, 3; 279.37, by adding a subdivision; 281.17; 281.173, subdivision 2; 281.174, subdivision 3; 282.01, subdivisions 1a, 1d, 4, 6, by adding a subdivision; 282.016; 282.018, subdivision 1; 282.02; 282.241, subdivision 1; 282.322; 287.08; 287.2205; 289A.08, subdivisions 11, 16, by adding a subdivision; 289A.09, subdivisions 1, 2; 289A.10, subdivision 1; 289A.11, subdivision 1; 289A.12, subdivision 14; 289A.18, subdivision 1, by adding a subdivision; 289A.20, subdivision 2; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 2; 289A.38, subdivision 6; 289A.40, subdivision 1; 289A.50, subdivisions 1, 2a, 7; 289A.60, subdivisions 1, 13, 28, by

adding a subdivision; 289A.63, by adding a subdivision; 290.01, subdivisions 6, 7; 290.0131, by adding subdivisions; 290.0132, subdivisions 4, 14, 21, by adding subdivisions; 290.0133, by adding a subdivision; 290.06, subdivision 22, by adding subdivisions; 290.067, subdivisions 1, 2b; 290.0672, subdivision 1; 290.0674, subdivisions 1, 2, by adding a subdivision; 290.068, subdivisions 1, 2, 3, 6a; 290.0685, subdivision 1; 290.091, subdivision 2; 290.0922, subdivision 2; 290.17, subdivision 2; 290.31, subdivision 1; 290A.03, subdivisions 3, 11, 13; 290A.10; 290A.19; 290C.03; 291.005, subdivision 1, as amended; 291.016, subdivisions 2, 3; 291.03, subdivisions 1, 9, 11; 291.075; 295.54, subdivision 2; 295.55, subdivision 6; 296A.01, subdivisions 7, 12, 33, 42, by adding a subdivision; 296A.02, by adding a subdivision; 296A.07, subdivision 1; 296A.08, subdivision 2; 296A.16, subdivision 2; 296A.22, subdivision 9; 296A.26; 297A.66, subdivisions 1, 2, 4, by adding a subdivision; 297A.67, subdivision 13a, by adding a subdivision; 297A.68, subdivisions 5, 9, 19, 35a; 297A.70, subdivisions 4, 12, 14, by adding subdivisions; 297A.71, subdivision 44, by adding subdivisions; 297A.75, subdivisions 1, 2, 3, 5; 297A.815, subdivision 3; 297A.82, subdivisions 4, 4a; 297A.94; 297A.992, subdivision 6a; 297A.993, subdivisions 1, 2, by adding subdivisions; 297B.07; 297D.02; 297E.02, subdivisions 3, 6, 7; 297E.04, subdivision 1; 297E.05, subdivision 4; 297E.06, subdivision 1; 297F.01, subdivision 13a; 297F.05, subdivisions 1, 3, 3a, 4a; 297F.09, subdivision 1; 297F.23; 297G.09, subdivision 1; 297G.22; 297H.06, subdivision 2; 297I.05, subdivision 2; 297I.10, subdivisions 1, 3; 297I.20, by adding a subdivision; 297I.30, subdivision 7, by adding a subdivision; 297I.60, subdivision 2; 298.01, subdivisions 3, 4, 4c; 298.225, subdivision 1; 298.24, subdivision 1; 298.28, subdivisions 2, 3, 5; 366.095, subdivision 1; 383B.117, subdivision 2; 398A.10, subdivisions 3, 4; 410.32; 412.221, subdivision 2; 412.301; 414.09, subdivision 2; 426.19, subdivision 2; 447.045, subdivisions 2, 3, 4, 6, 7; 452.11; 455.24; 455.29; 459.06, subdivision 1; 462.353, subdivision 4; 469.053, subdivision 5; 469.101, subdivision 1; 469.107, subdivision 2; 469.169, by adding a subdivision; 469.174, subdivision 12; 469.175, subdivision 3; 469.176, subdivision 4c; 469.1761, by adding a subdivision; 469.1763, subdivisions 1, 2, 3; 469.178, subdivision 7; 469.190, subdivisions 1, 5; 469.319, subdivision 5; 471.57, subdivision 3; 471.571, subdivision 3; 471.572, subdivisions 2, 4; 473.39, by adding subdivisions; 473H.09; 473H.17, subdivision 1a; 475.59; 475.60, subdivision 2; 477A.011, subdivisions 34, 45; 477A.0124, subdivision 2; 477A.013, subdivisions 1, 8, 9, by adding a subdivision; 477A.10; 477A.11, by adding subdivisions; 477A.19, by adding subdivisions; 504B.285, subdivision 1; 504B.365, subdivision 3; 559.202, subdivision 2; 609.5316, subdivision 3; Laws 1980, chapter 511, sections 1, subdivision 2, as amended; 2, as amended; Laws 1991, chapter 291, article 8, section 27, subdivisions 3, as amended, 4, as amended, 5; Laws 1996, chapter 471, article 2, section 29, subdivisions 1, as amended, 4, as amended; article 3, section 51; Laws 1999, chapter 243, article 4, sections 17, subdivisions 3, 5, by adding a subdivision; 18, subdivision 1, as amended; Laws 2005, First Special Session chapter 3, article 5, section 38, subdivisions 2, as amended, 4, as amended; Laws 2008, chapter 154, article 9, section 21, subdivision 2; Laws 2008, chapter 366, article 7, section 20; Laws 2009, chapter 88, article 5, section 17, as amended; Laws 2014, chapter 308, article 6, sections 8, subdivision 1; 9; article 9, section 94; Laws 2016, chapter 187, section 5; proposing coding for new law in Minnesota Statutes, chapters 11A; 16A; 16B; 41B; 88; 103C; 116P; 117; 174; 222; 270C; 273; 274; 275; 281; 289A; 290; 290B; 290C; 293; 297A; 416; 459; 462A; 471; 473; 477A; proposing coding for new law as Minnesota Statutes, chapter 462D; repealing Minnesota Statutes 2016, sections 10A.322, subdivision 4; 13.4967, subdivision 2; 136A.129; 205.10, subdivision 3; 270.074, subdivision 2; 270C.445, subdivision 1; 270C.447, subdivision 4; 270C.9901; 281.22; 289A.10, subdivision 1a; 289A.12, subdivision 18; 289A.18, subdivision 3a; 289A.20, subdivision 3a; 290.06, subdivisions 23, 36; 290.067, subdivision 2; 290.9743; 290.9744; 290C.02, subdivisions 5, 9; 290C.06; 291.03, subdivisions 8, 9, 10, 11; 297A.992, subdivision 12; 297F.05, subdivision 1a; 477A.085; 477A.20; Minnesota Rules, parts 4503.1400, subpart 4; 8092.1400; 8092.2000; 8100.0700; 8125.1300, subpart 3.

Reported the same back with the following amendments:

Page 213, line 3, delete "if" and insert "as" and delete "first general" and insert "November 4, 2014,"

Page 213, line 4, delete "held after the date of final enactment of this act"

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

The report was adopted.

Gunther from the Committee on Legacy Funding Finance to which was referred:

H. F. No. 707, A bill for an act relating to legacy; appropriating money to maintain dedicated funding website.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
OUTDOOR HERITAGE FUND

Section 1. **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 outdoor heritage fund for the fiscal year indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2018, and June 30, 2019, respectively. The "first year" is fiscal year 2018. The "second year" is fiscal year 2019. The "biennium" is fiscal years 2018 and 2019, respectively. The appropriations in this article are onetime appropriations.

| <u>APPROPRIATIONS</u> | |
|--------------------------------------|--------------------|
| <u>Available for the Year</u> | |
| <u>Ending June 30</u> | |
| <u>2018</u> | <u>2019</u> |

Sec. 2. **OUTDOOR HERITAGE FUND**

Subdivision 1. **Total Appropriation**

\$102,605,000

\$585,000

This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Prairies**

26,614,000

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(a) DNR Wildlife Management Area and Scientific and Natural Area Acquisition - Phase IX

\$2,313,000 the first year is to the commissioner of natural resources to acquire in fee and restore lands for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(b) Accelerating the Wildlife Management Area Acquisition - Phase IX

\$3,479,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Minnesota Prairie Recovery Project - Phase VII

\$1,901,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land in fee for native prairie, wetland, and savanna and to restore and enhance grasslands, wetlands, and savanna. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. No later than 180 days after The Nature Conservancy's fiscal year ends, The Nature Conservancy must submit to the Lessard-Sams Outdoor Heritage Council annual income statements and balance sheets for income and expenses from land acquired with this appropriation. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities identified in Minnesota Prairie Conservation Plan.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase VIII

\$2,683,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the United States Fish and Wildlife Service to acquire land in fee or permanent conservation easements and restore lands in the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan, and the acquisitions must be consistent with the priorities in Minnesota Prairie Conservation Plan.

(e) Cannon River Headwaters Habitat Complex - Phase VII

\$1,436,000 the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire in fee and restore lands in the Cannon River watershed for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(f) Accelerated Native Prairie Bank Protection - Phase VI

\$2,481,000 the first year is to the commissioner of natural resources to acquire permanent conservation easements to implement the strategies in Minnesota Prairie Conservation Plan to protect and restore native prairie. Of this amount, up to \$140,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements must be provided as part of the final report.

(g) Reinvest In Minnesota (RIM) Buffers for Wildlife and Water - Phase VII

\$5,333,000 the first year is to the Board of Water and Soil Resources to restore habitat and acquire permanent conservation easements under Minnesota Statutes, section 103F.515, to protect, restore, and enhance habitat by expanding the riparian-buffer program of the clean water fund for at least equal wildlife benefits from buffers on private land. Of this amount, up to \$858,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(h) Prairie Chicken Habitat Partnership of the Southern Red River Valley - Phase III

\$1,908,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the Minnesota Prairie Chicken Society to acquire land in fee and restore and enhance lands in the southern Red River valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as

waterfowl-production areas in Minnesota in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase IX

\$3,950,000 the first year is to the commissioner of natural resources to accelerate restoration and enhancement of prairies, grasslands, and savannas on wildlife management areas, scientific and natural areas, native prairie bank land, bluff prairies on state forest land in southeastern Minnesota, and United States Fish and Wildlife Service waterfowl-production area and refuge lands. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(j) Anoka Sandplain Habitat Restoration and Enhancement - Phase V

\$1,130,000 the first year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance wildlife habitat on public lands in Anoka, Benton, Isanti, Morrison, and Stearns Counties as follows: \$41,000 is to the Anoka Conservation District, \$231,000 is to the Isanti County Soil and Water Conservation District, \$345,000 is to Great River Greening, \$163,000 is to the Stearns County Soil and Water Conservation District, and \$350,000 is to Minnesota Land Trust. Up to \$40,000 to Minnesota Land Trust is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed permanent conservation easements, restorations, and enhancements must be provided as part of the required accomplishment plan.

Subd. 3. **Forests**

16,824,000

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(a) Carnelian Creek Conservation Corridor

\$2,458,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements in Washington County. Of this amount, up to \$30,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed permanent conservation easements must be provided as part of the required accomplishment plan.

(b) Laurentian Forest - St. Louis County Habitat Project

\$2,400,000 the first year is to the commissioner of natural resources for agreements with the Minnesota Deer Hunters Association in cooperation with The Conservation Fund and St. Louis County to acquire land in fee to be transferred to St. Louis County for wildlife habitat purposes. The amount is for agreements as follows: \$2,292,000 to the Minnesota Deer Hunter Association and \$108,000 to The Conservation Fund. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Southeast Minnesota Protection and Restoration - Phase V

\$2,375,000 the first year is to the commissioner of natural resources to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8; to acquire land in fee for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5; to acquire land in fee for state forest purposes under Minnesota Statutes, section 86A.05, subdivision 7; to acquire permanent conservation easements; and to restore and enhance prairie, grassland, forest, and savanna. The amount is for agreements as follows: \$1,000,000 to The Nature Conservancy, \$675,000 to The Trust for Public Land, and \$700,000 to Minnesota Land Trust. Up to \$80,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. No later than 180 days after the The Nature Conservancy's fiscal year ends, The Nature Conservancy must submit to the Lessard-Sams Outdoor Heritage Council annual income statements and balance sheets for income and expenses from land acquired in fee with this appropriation and not transferred to the state or a local governmental unit. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(d) Minnesota Forests for the Future - Phase V

\$2,291,000 the first year is to the commissioner of natural resources to acquire easements for forest, wetland, and shoreline habitat through working forest permanent conservation easements under the Minnesota forests for the future program pursuant to Minnesota Statutes, section 84.66. A conservation easement acquired with money appropriated under this paragraph must comply with Minnesota Statutes, section 97A.056, subdivision 13. The accomplishment plan must include an easement monitoring and enforcement plan. Of this amount, up to \$72,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(e) State Forest Acquisitions - Phase IV

\$1,000,000 the first year is to the commissioner of natural resources to acquire lands in fee for wildlife habitat purposes in the Richard J. Dorer Memorial Hardwood State Forest under Minnesota Statutes, section 86A.05, subdivision 7. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(f) Critical Shoreland Protection Program - Phase IV

\$1,700,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements along rivers and lakes in the northern forest region. Of this amount, up to \$120,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed permanent conservation easements must be provided as part of the required accomplishment plan.

(g) Bushmen Lake

\$4,600,000 the first year is to the commissioner of natural resources for an agreement with The Conservation Fund in cooperation with the United States Forest Service to acquire lands in fee adjacent to Bushmen Lake in St. Louis County to be managed for wildlife habitat purposes. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

Subd. 4. Wetlands31,744,000-0-**(a) Accelerating Waterfowl-Production Area Acquisition - Phase IX**

\$5,500,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire land in fee and restore and enhance wetlands and grasslands to be designated and managed as waterfowl-production areas in Minnesota in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(b) Shallow Lakes and Wetland Protection Program - Phase VI

\$3,625,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire land in fee and restore prairie lands, wetlands, and land-buffering shallow lakes for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) RIM Wetlands Partnership - Phase VIII

\$15,398,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to \$306,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(d) Wild-Rice Shoreland Protection Program - Phase V

\$750,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements on wild-rice lake shoreland habitat for native wild-rice bed protection. Of this amount, up to \$59,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report by the Board of Water and Soil Resources.

(e) Accelerated Shallow Lakes and Wetlands Enhancement - Phase IX

\$1,755,000 the first year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(f) Living Shallow Lakes and Wetland Initiative - Phase VI

\$4,716,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited to restore and enhance shallow lakes and wetlands on public lands and wetlands under permanent conservation easement for wildlife management purposes. A list of proposed shallow-lake enhancements and wetland restorations must be provided as part of the required accomplishment plan.

Subd. 5. **Habitats**

26,544,000

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(a) Mississippi Headwaters Habitat Corridor Partnership - Phase III

\$1,617,000 the first year is to the commissioner of natural resources to acquire lands in fee and restore wildlife habitat in the Mississippi headwaters and for agreements as follows: \$60,000 to the Mississippi Headwaters Board and \$1,557,000 to The Trust for Public Land. \$779,000 the first year is to the Board of Water and Soil Resources to acquire lands in permanent conservation

easements and to restore wildlife habitat. Up to \$59,000 to the Board of Water and Soil Resources is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed acquisitions must be included as part of the required accomplishment plan.

(b) Fisheries Habitat Protection on Strategic North-Central Minnesota Lakes - Phase III

\$1,716,000 the first year is to the commissioner of natural resources to acquire land in permanent conservation easements to sustain healthy fish habitat on coldwater lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties for agreements as follows: \$113,000 to the Leech Lake Area Watershed Foundation and \$1,603,000 to Minnesota Land Trust. Up to \$120,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the required accomplishment plan.

(c) Goose Prairie

\$600,000 the first year is to the commissioner of natural resources for an agreement with the Wild Rice Watershed District, in cooperation with the Department of Natural Resources, to enhance aquatic and upland habitat in and adjacent to the Goose Prairie Marsh Wildlife Management Area in Clay County. A list of proposed land enhancements must be provided as part of the required accomplishment plan.

(d) Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase IX

\$2,403,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore or enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams in Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(e) DNR Stream Habitat - Phase II

\$2,166,000 the first year is to the commissioner of natural resources to restore and enhance habitat in degraded streams and critical aquatic-species habitat and to facilitate fish passage. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(f) St. Louis River Restoration Initiative - Phase IV

\$3,392,000 the first year is to the commissioner of natural resources to restore aquatic habitats in the St. Louis River estuary. Of this appropriation, up to \$226,000 is for an agreement with Minnesota Land Trust. A list of proposed restorations must be provided as part of the required accomplishment plan.

(g) Shell Rock River Watershed Habitat Restoration Program - Phase VI

\$1,779,000 the first year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire land in fee and restore and enhance aquatic habitat in the Shell Rock River watershed. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

(h) Lake Wakanda Enhancement Project

\$921,000 the first year is to the commissioner of natural resources for an agreement with Kandiyohi County to enhance aquatic habitat in and adjacent to Lake Wakanda in Kandiyohi County. A list of proposed land enhancements must be provided as part of the required accomplishment plan.

(i) Wolverton Creek Habitat Restoration

\$1,877,000 the first year is to the commissioner of natural resources for an agreement with the Buffalo-Red River Watershed District to acquire permanent conservation easements and restore and enhance aquatic and upland habitat associated with Wolverton Creek in the Buffalo-Red River watershed. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

(j) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat - Phase IX

\$9,294,000 the first year is to the commissioner of natural resources for a program to provide competitive matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Of this amount, up to \$2,660,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or greater. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be for projects that have a total project cost exceeding \$575,000. Of the total appropriation, \$634,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may

acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner must provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner must, when evaluating projects of equal value, give priority to organizations that have a history of receiving or a charter to receive private contributions for local conservation or habitat projects. If acquiring land in fee or a conservation easement, priority must be given to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership, or must be in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2021. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner must provide notice of the grant program in the game and fish law summary prepared under Minnesota Statutes, section 97A.051, subdivision 2.

Subd. 6. Administration

879,000

585,000

(a) Contract Management

\$150,000 the first year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner must provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council for expending this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended before the Lessard-Sams Outdoor Heritage Council approves the accomplishment plan.

(b) Legislative Coordinating Commission

\$571,000 the first year and \$578,000 the second year is to the Legislative Coordinating Commission for Lessard-Sams Outdoor Heritage Council administrative expenses and for compensating

and reimbursing expenses of council members. This appropriation is available until June 30, 2019. Minnesota Statutes, section 16A.281, applies to this appropriation.

(c) Technical Evaluation Panel

\$150,000 the first year is to the commissioner of natural resources for a technical evaluation panel to conduct up to 20 restoration and enhancement evaluations under Minnesota Statutes, section 97A.056, subdivision 10.

(d) Legacy Web site

\$8,000 the first year and \$7,000 the second year is to the Legislative Coordinating Commission for the Web site required in Minnesota Statutes, section 3.303, subdivision 10.

Subd. 7. Appropriation Availability

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on institutional overhead charges that are not directly related to and necessary for a specific appropriation. Unless otherwise provided, the amounts in this section are available until June 30, 2020. For acquiring real property, the amounts in this section are available until June 30, 2021, if a binding agreement with a landowner or purchase agreement is entered into by June 30, 2020, and closed no later than June 30, 2021. Appropriations for restoration or enhancement are available until June 30, 2022, or five years after acquisition, whichever is later, so that initial restoration or enhancement work can be completed. If a project receives at least 15 percent of its funding from federal funds, the appropriation period may be extended to equal the availability of federal funding to a maximum of six years, provided the federal funding was confirmed and included in the first draft accomplishment plan. Money appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public use facilities must have no more than a minimal impact on habitat in acquired lands.

Subd. 8. Payment Conditions and Capital Equipment Expenditures

All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2017, or the date of accomplishment plan approval,

whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice or binding agreement with the landowner and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash-flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items over \$10,000 must be itemized in and approved as part of the accomplishment plan.

Subd. 9. Mapping

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping any lands acquired in fee with money appropriated in this section and open to public taking of fish and game. The commissioner of natural resources must include the lands acquired in fee with money appropriated in this section on maps showing public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

Sec. 3. Minnesota Statutes 2016, section 97A.056, subdivision 3, is amended to read:

Subd. 3. **Council recommendations.** (a) The council shall make recommendations to the legislature on appropriations of money from the outdoor heritage fund that are consistent with the Constitution and state law and that will achieve the outcomes of existing natural resource plans, including, but not limited to, the Minnesota Statewide Conservation and Preservation Plan, that directly relate to the restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, and that prevent forest fragmentation, encourage forest consolidation, and expand restored native prairie. In making recommendations, the council shall consider a range of options that would best restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife. The council's recommendations shall be submitted no later than January 15 each year. The council shall present its recommendations to the senate and house of representatives committees with jurisdiction over the environment and natural resources budget by February 15 in odd-numbered years, and within the first four weeks of the legislative session in even-numbered years. The council's budget recommendations to the legislature shall be separate from the Department of Natural Resource's budget recommendations.

(b) To encourage and support local conservation efforts, the council shall establish a conservation partners program. Local, regional, state, or national organizations may apply for matching grants for restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, prevention of forest fragmentation, encouragement of forest consolidation, and expansion of restored native prairie.

(c) The council may work with the Clean Water Council to identify projects that are consistent with both the purpose of the outdoor heritage fund and the purpose of the clean water fund.

(d) The council may make recommendations to the Legislative-Citizen Commission on Minnesota Resources on scientific research that will assist in restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife, preventing forest fragmentation, encouraging forest consolidation, and expanding restored native prairie.

(e) Recommendations of the council, including approval of recommendations for the outdoor heritage fund, require an affirmative vote of at least nine members of the council.

(f) The council may work with the Clean Water Council, the Legislative-Citizen Commission on Minnesota Resources, the Board of Water and Soil Resources, soil and water conservation districts, and experts from Minnesota State Colleges and Universities and the University of Minnesota in developing the council's recommendations.

(g) The council shall develop and implement a process that ensures that citizens and potential recipients of funds are included throughout the process, including the development and finalization of the council's recommendations. The process must include a fair, equitable, and thorough process for reviewing requests for funding and a clear and easily understood process for ranking projects.

(h) The council shall use the regions of the state based upon the ecological sections and subsections developed by the Department of Natural Resources and establish objectives for each region and subregion to achieve the purposes of the fund outlined in the state constitution.

(i) The council shall develop and submit to the Legislative Coordinating Commission plans for the first ten years of funding, and a framework for 25 years of funding, consistent with statutory and constitutional requirements. The council may use existing plans from other legislative, state, and federal sources, as applicable.

(j) When making recommendations, the council must prioritize projects that restore and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife over projects that acquire land.

Sec. 4. Minnesota Statutes 2016, section 97A.056, is amended by adding a subdivision to read:

Subd. 22. **Revenues.** (a) A recipient must disclose to the Lessard-Sams Outdoor Heritage Council and the commissioner all revenues that are received by the recipient before the availability of the appropriation ends and that are generated from activities on land acquired in fee title or easement, restored, or enhanced with money from the outdoor heritage fund. The revenues must be disclosed to the council and commissioner no later than 60 days after the availability of the appropriation ends.

(b) For all revenues disclosed under paragraph (a), a recipient must:

(1) use the revenues to protect, restore, or enhance wetlands, prairies, forests, or habitat for fish, game, or wildlife according to the appropriation purposes and the approved accomplishment plan;

(2) use the revenues for other purposes as approved in the accomplishment plan by the Lessard-Sams Outdoor Heritage Council; or

(3) transfer the revenues to the outdoor heritage fund no later than 60 days after the availability of the appropriation ends, unless otherwise approved by the council.

(c) Paragraph (b), clause (3), does not apply to the state and its departments and agencies.

Sec. 5. Minnesota Statutes 2016, section 97A.056, is amended by adding a subdivision to read:

Subd. 23. **Trails.** Forest lands acquired with money from the outdoor heritage fund must be open to all recreational trail uses unless the land does not support the recreational trail use or the constitutional requirements as determined by the commissioner of natural resources. A recipient of an appropriation from the outdoor heritage fund establishing or maintaining trails on forest lands acquired with that appropriation must provide equal opportunities for motorized and nonmotorized users on lands acquired in accordance with the Department of Natural Resources and county forest best management practices.

EFFECTIVE DATE. This section is effective July 1, 2017, and applies to forest lands acquired with an appropriation enacted on or after that date.

Sec. 6. Minnesota Statutes 2016, section 97A.056, is amended by adding a subdivision to read:

Subd. 24. **Reserve requirement.** In any fiscal year, at least five percent of that year's projected tax receipts determined by the most recent forecast for the outdoor heritage fund must not be appropriated.

Sec. 7. Minnesota Statutes 2016, section 97A.056, is amended by adding a subdivision to read:

Subd. 25. **Previous funding notification requirement.** Any state agency or organization requesting a direct appropriation from the outdoor heritage fund must inform the Lessard-Sams Outdoor Heritage Council and the house of representatives and senate committees having jurisdiction over the outdoor heritage fund, at the time the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose.

Sec. 8. Laws 2012, chapter 264, article 1, section 2, subdivision 5, as amended by Laws 2015, First Special Session chapter 2, article 1, section 7, is amended to read:

| | | |
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| Subd. 5. Habitats | -0- | 28,620,000 |
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(a) **DNR Aquatic Habitat - Phase IV**

\$3,480,000 in the second year is to the commissioner of natural resources to acquire interests in land in fee or permanent conservation easements for aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, and to restore and enhance aquatic habitat. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$25,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(b) Metro Big Rivers Habitat - Phase III

\$3,680,000 in the second year is to the commissioner of natural resources for agreements to acquire interests in land in fee or permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: \$1,000,000 to the Minnesota Valley National Wildlife Refuge Trust, Inc.; \$375,000 to the Friends of the Mississippi; \$375,000 to Great River Greening; \$930,000 to The Minnesota Land Trust; and \$1,000,000 to The Trust for Public Land. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$51,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(c) Dakota County Riparian and Lakeshore Protection and Management - Phase III

\$480,000 in the second year is to the commissioner of natural resources for an agreement with Dakota County to acquire permanent conservation easements and restore and enhance habitats along the Mississippi, Cannon, and Vermillion Rivers. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$20,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(d) Lower St. Louis River Habitat Restoration

\$3,670,000 in the second year is to the commissioner of natural resources to restore habitat in the lower St. Louis River estuary. A list of proposed projects must be provided as part of the required accomplishment plan.

(e) Coldwater Fish Habitat Enhancement - Phase IV

\$2,120,000 in the second year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore and enhance coldwater fish lake, river, and stream habitats in Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(f) Grand Marais Creek Outlet Restoration

\$2,320,000 in the second year is to the commissioner of natural resources for an agreement with the Red Lake Watershed District to restore and enhance stream and related habitat in Grand Marais Creek. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(g) Knife River Habitat Restoration

\$380,000 in the second year is to the commissioner of natural resources for an agreement with the Lake Superior Steelhead Association to restore trout habitat in the Upper Knife River Watershed. A list of proposed restorations must be provided as part of the required accomplishment plan. Notwithstanding rules of the commissioner of natural resources, restorations conducted pursuant to this paragraph may be accomplished by excavation.

(h) Protect Aquatic Habitat from Invasive Carp

\$7,500,000 in the second year is to the commissioner of natural resources for design construction, including acquisition, operation, and evaluation of structural deterrents for invasive carp to protect Minnesota's aquatic habitat. Use of this money requires a one-to-one match for projects on state boundary waters. A match is not required for design or feasibility studies. This appropriation is available until June 30, 2019.

(i) Outdoor Heritage Conservation Partners Grant Program - Phase IV

\$4,990,000 in the second year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, and habitat for fish, game, or wildlife in Minnesota. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from appropriations in this paragraph for projects that have a total project cost exceeding \$575,000. \$366,000 of this appropriation may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by state law. The program shall require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations

that have a history of receiving or charter to receive private contributions for local conservation or habitat projects. If acquiring land or a conservation easement, priority shall be given to projects associated with existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority shall be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2016. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summaries that are prepared under Minnesota Statutes, section 97A.051, subdivision 2.

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

Sec. 9. Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 2, as amended by Laws 2016, chapter 172, article 1, section 5, is amended to read:

Subd. 2. **Prairies**

40,948,000

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(a) DNR Wildlife Management Area and Scientific and Natural Area Acquisition - Phase VII

\$4,570,000 in the first year is to the commissioner of natural resources to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land and permanent conservation easement acquisitions must be provided as part of the required accomplishment plan.

(b) Accelerating Wildlife Management Area Acquisition - Phase VII

\$7,452,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire land in fee for wildlife management area purposes under Minnesota

Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Minnesota Prairie Recovery Project - Phase VI

\$4,032,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire native prairie, wetlands, and savanna and restore and enhance grasslands, wetlands, and savanna. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. Annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days following the close of The Nature Conservancy's fiscal year. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities identified in the Minnesota Prairie Conservation Plan.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase VI

\$3,430,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the United States Fish and Wildlife Service to acquire land in fee or permanent conservation easements within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

(e) Accelerated Native Prairie Bank Protection - Phase IV

\$3,740,000 in the first year is to the commissioner of natural resources to implement the Minnesota Prairie Conservation Plan through the acquisition of permanent conservation easements to protect native prairie and grasslands. Up to \$165,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in

Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements must be provided as part of the final report.

(f) Minnesota Buffers for Wildlife and Water - Phase V

\$4,544,000 in the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements to protect and enhance habitat by expanding the clean water fund riparian buffer program for at least equal wildlife benefits from buffers on private land. Up to ~~\$72,500~~ \$728,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(g) Cannon River Headwaters Habitat Complex - Phase V

\$1,380,000 in the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire and restore lands in the Cannon River watershed for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(h) Prairie Chicken Habitat Partnership of the Southern Red River Valley

\$1,800,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the Minnesota Prairie Chicken Society to acquire and restore lands in the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or for designation and management as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) Protecting and Restoring Minnesota's Important Bird Areas

\$1,730,000 in the first year is to the commissioner of natural resources for agreements to acquire conservation easements within important bird areas identified in the Minnesota Prairie Conservation Plan, to be used as follows: \$408,000 is to Audubon

Minnesota and \$1,322,000 is to Minnesota Land Trust, of which up to \$100,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(j) Wild Rice River Corridor Habitat Restoration

\$2,270,000 in the first year is to the commissioner of natural resources for an agreement with the Wild Rice Watershed District to acquire land in fee and permanent conservation easement and to restore river and related habitat in the Wild Rice River corridor. A list of proposed acquisitions and restorations must be provided as part of the required accomplishment plan.

(k) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase VII

\$4,880,000 in the first year is to the commissioner of natural resources to accelerate the restoration and enhancement of prairie communities on wildlife management areas, scientific and natural areas, state forest land, and land under native prairie bank easements. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(l) Enhanced Public Land Grasslands - Phase II

\$1,120,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore habitat on public lands. A list of proposed land restorations and enhancements must be provided as part of the final report.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2015.

Sec. 10. Laws 2016, chapter 172, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Prairies**

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31,000,000

(a) DNR Wildlife Management Area and Scientific and Natural Area Acquisition - Phase VIII

\$3,250,000 the second year is to the commissioner of natural resources to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(b) Accelerating Wildlife Management Area Acquisition - Phase VIII

\$5,229,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Martin County/Fox Lake Wildlife Management Area Acquisition

\$1,000,000 the second year is to the commissioner of natural resources for an agreement with Fox Lake Conservation League, Inc. to acquire land in fee and restore strategic prairie grassland, wetland, and other wildlife habitat for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase VII

\$2,754,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the United States Fish and Wildlife Service to acquire land in fee or permanent conservation easements and restore lands within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

(e) Cannon River Headwaters Habitat Complex - Phase VI

\$583,000 the second year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire land in fee and restore lands in the Cannon River watershed for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given

to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(f) Accelerated Native Prairie Bank Protection - Phase V

\$2,541,000 the second year is to the commissioner of natural resources to implement the Minnesota Prairie Conservation Plan through the acquisition of permanent conservation easements to protect and restore native prairie. Of this amount, up to \$120,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements must be provided as part of the final report.

(g) Reinvest In Minnesota (RIM) Buffers for Wildlife and Water - Phase VI

\$6,708,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore habitat under Minnesota Statutes, section 103F.515, to protect, restore, and enhance habitat by expanding the clean water fund riparian buffer program for at least equal wildlife benefits from buffers on private land. Of this amount, up to ~~\$130,000~~ \$1,079,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(h) Prairie Chicken Habitat Partnership of the Southern Red River Valley - Phase II

\$2,269,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire land in fee and restore and enhance lands in the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or for designation and management as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) Grassland Conservation Partnership - Phase II

\$1,475,000 the second year is to the commissioner of natural resources for an agreement with The Conservation Fund, in cooperation with Minnesota Land Trust, to acquire permanent conservation easements and restore high priority grassland, prairie, and wetland habitats as follows: \$64,000 to The Conservation Fund; and \$1,411,000 to Minnesota Land Trust, of which up to \$100,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

(j) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase VIII

\$3,983,000 the second year is to the commissioner of natural resources to accelerate restoration and enhancement of prairies, grasslands, and savannas on wildlife management areas, scientific and natural areas, native prairie bank land, and bluff prairies on state forest land in southeastern Minnesota. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(k) Anoka Sandplain Habitat Restoration and Enhancement - Phase IV

\$1,208,000 the second year is to the commissioner of natural resources for agreements to restore and enhance wildlife habitat on public lands in Anoka, Isanti, Morrison, Sherburne, and Todd Counties as follows: \$93,000 to Anoka Conservation District; \$25,000 to Isanti County Parks and Recreation Department; \$813,000 to Great River Greening; and \$277,000 to the National Wild Turkey Federation. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

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

Sec. 11. Laws 2016, chapter 172, article 1, section 2, subdivision 4, is amended to read:

Subd. 4. **Wetlands**

-0-

31,055,000

(a) Accelerating the Waterfowl Production Area Acquisition - Phase VIII

\$5,650,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore and enhance wetlands and grasslands to be

designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(b) Shallow Lake and Wetland Protection Program - Phase V

\$5,801,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire in fee and restore prairie lands, wetlands, and land buffering shallow lakes for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) RIM Wetlands Partnership - Phase VII

\$13,808,000 the second year is to the Board of Water and Soil Resources to acquire lands in permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to ~~\$195,000~~ \$410,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(d) Wetland Habitat Protection Program - Phase II

\$1,629,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements in high-priority wetland habitat complexes in the prairie and forest/prairie transition regions. Of this amount, up to \$180,000 is to establish a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed easement acquisitions must be provided as part of the final report.

(e) Accelerated Shallow Lakes and Wetlands Enhancement - Phase VIII

\$2,167,000 the second year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(f) Marsh Lake - Phase II

\$2,000,000 the second year is to the commissioner of natural resources to modify the dam at Marsh Lake for improved habitat management and to return the historic outlet of the Pomme de Terre River to Lac Qui Parle.

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

Sec. 12. **REPEALER.**

Minnesota Statutes 2016, section 97A.056, subdivision 8, is repealed.

ARTICLE 2
CLEAN WATER FUND

Section 1. **CLEAN WATER FUND 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 clean water fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019. The appropriations in this article are onetime.

| <u>APPROPRIATIONS</u> | |
|--------------------------------------|--------------------|
| <u>Available for the Year</u> | |
| <u>Ending June 30</u> | |
| <u>2018</u> | <u>2019</u> |

Sec. 2. **CLEAN WATER**

| | | |
|--|-----------------------------|-----------------------------|
| <u>Subdivision 1. Total Appropriation</u> | <u>\$100,497,000</u> | <u>\$111,114,000</u> |
|--|-----------------------------|-----------------------------|

The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget's Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2018 appropriations are available until June 30, 2019, and fiscal year 2019 appropriations are available until June 30, 2020. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. Disability Access

Where appropriate, grant recipients of clean water funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing greater access to programs, print publications, and digital media for people with disabilities related to the programs the recipient funds using appropriations made in this article.

Sec. 3. DEPARTMENT OF AGRICULTURE**\$7,482,000****\$7,484,000**

(a) \$350,000 the first year and \$350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) \$2,085,000 the first year and \$2,086,000 the second year are for monitoring and evaluating trends in the concentration of nitrate in groundwater in areas vulnerable to groundwater degradation; promoting, developing, and evaluating regional and crop-specific nutrient best management practices; assessing best management practice adoption; education and technical support from University of Minnesota Extension; grants to support agricultural demonstration and implementation activities; and other actions to protect groundwater from degradation from nitrate. This appropriation is available until June 30, 2022.

(c) \$75,000 the first year and \$75,000 the second year are for administering clean water funds managed through the agriculture best management practices loan program. Any unencumbered balance at the end of the second year shall be added to the corpus of the loan fund.

(d) \$1,125,000 the first year and \$1,125,000 the second year are for technical assistance, research, and demonstration projects on proper implementation of best management practices and more precise information on nonpoint contributions to impaired waters and for grants to support on-farm demonstration of agricultural practices. This appropriation is available until June 30, 2022.

(e) \$662,000 the first year and \$663,000 the second year are for research to quantify and reduce agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources. This appropriation is available until June 30, 2022.

(f) \$50,000 the first year and \$50,000 the second year are for a research inventory database containing water-related research activities. Costs for information technology development or support for this research inventory database may be paid to the Office of MN.IT Services. This appropriation is available until June 30, 2022.

(g) \$1,500,000 the first year and \$1,500,000 the second year are to implement the Minnesota agricultural water-quality certification program statewide. Funds appropriated in this paragraph are available until June 30, 2021.

(h) \$110,000 the first year and \$110,000 the second year are to provide funding for a regional irrigation water quality specialist through University of Minnesota Extension.

(i) \$450,000 the first year and \$450,000 the second year are for grants to the Board of Regents of the University of Minnesota to fund the Forever Green Agriculture Initiative and to protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. This appropriation is available until June 30, 2022.

(j) \$1,000,000 the first year and \$1,000,000 the second year are for pesticide testing of private wells where nitrate is detected, as part of the Township Testing Program. This appropriation is available until June 30, 2022.

(k) \$75,000 the first year and \$75,000 the second year are to evaluate market opportunities and develop markets for crops that can be profitable for farmers and beneficial for water quality and soil health.

(l) A portion of the funds in this section may be used for programs to train state and local outreach staff in the intersection between agricultural economics and agricultural conservation.

Sec. 4. **PUBLIC FACILITIES AUTHORITY**

\$6,300,000

\$10,100,000

(a) \$6,175,000 the first year and \$9,975,000 the second year are for the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation is available until June 30, 2022.

(b) \$125,000 the first year and \$125,000 the second year are for small community wastewater treatment grants and loans under Minnesota Statutes, section 446A.075. This appropriation is available until June 30, 2022.

(c) If there are any uncommitted funds at the end of each fiscal year under paragraph (a) or (b), the Public Facilities Authority may transfer the remaining funds to eligible projects under any of the programs listed in this section based on their priority rank on the Pollution Control Agency's project priority list.

Sec. 5. **POLLUTION CONTROL AGENCY****\$25,286,000****\$25,514,000**

(a) \$8,275,000 the first year and \$8,275,000 the second year are for completion of needed statewide assessments of surface water quality and trends according to Minnesota Statutes, chapter 114D. Of this amount, \$150,000 the first year and \$150,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools in the Red River of the North. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2019, on the expenditure of these funds.

(b) \$9,409,000 the first year and \$9,638,000 the second year are to develop watershed restoration and protection strategies (WRAPS), which include total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDLs each year over the biennium.

(c) \$1,181,000 the first year and \$1,182,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and evaluating trends, including the reassessment of groundwater that was assessed ten to 15 years ago and found to be contaminated.

(d) \$750,000 the first year and \$750,000 the second year are for implementation of the St. Louis River System Area of Concern Remedial Action Plan. This appropriation must be matched at a rate of 65 percent nonstate money to 35 percent state money.

(e) \$1,000,000 the first year and \$1,000,000 the second year are for TMDL research and database development.

(f) \$900,000 the first year and \$900,000 the second year are for national pollutant discharge elimination system wastewater and storm water TMDL implementation efforts.

(g) \$3,442,000 the first year and \$3,441,000 the second year are for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protection of groundwater, including base grants for all counties with SSTS programs and competitive grants to counties with specific plans to significantly reduce water pollution by reducing the number of systems that are an imminent threat to public health or safety or are

otherwise failing. Counties that receive base grants must report the number of sewage noncompliant properties upgraded through SSTS replacement, connection to a centralized sewer system, or other means, including property abandonment or buy-out. Counties also must report the number of existing SSTS compliance inspections conducted in areas under county jurisdiction. These required reports are to be part of established annual reporting for SSTS programs. Counties that conduct SSTS inventories or those with an ordinance in place that requires an SSTS to be inspected as a condition of transferring property or as a condition of obtaining a local permit must be given priority for competitive grants under this paragraph. Of this amount, \$1,000,000 each year is available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater. A grant awarded under this paragraph may not exceed \$40,000 for the biennium. A county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures.

(h) \$279,000 the first year and \$278,000 the second year are for accelerated implementation of MS4 permit requirements including additional technical assistance to municipalities experiencing difficulties understanding and implementing the basic requirements of the municipal storm water program.

(i) \$50,000 the first year and \$50,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(j) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this section are available until June 30, 2022.

Sec. 6. **DEPARTMENT OF NATURAL RESOURCES**

\$8,671,000

\$8,871,000

(a) \$1,900,000 the first year and \$2,000,000 the second year are for stream flow monitoring.

(b) \$1,200,000 the first year and \$1,300,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) \$135,000 the first year and \$135,000 the second year are for assessing mercury and other contaminants of fish, including monitoring to track the status of impaired waters over time.

(d) \$1,886,000 the first year and \$1,886,000 the second year are for developing targeted, science-based watershed restoration and protection strategies.

(e) \$1,700,000 the first year and \$1,700,000 the second year are for water supply planning, aquifer protection, and monitoring activities.

(f) \$950,000 the first year and \$950,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities.

(g) \$675,000 the first year and \$675,000 the second year are for applied research and tools, including watershed hydrologic modeling; maintaining and updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data; and assessing effectiveness of forestry best management practices for water quality.

(h) \$125,000 the first year and \$125,000 the second year are for developing county geologic atlases.

(i) \$100,000 the first year and \$100,000 the second year are for maintenance and updates to buffer maps and for technical guidance on buffer map interpretation to local units of government for implementation of buffer requirements. Maps must be provided to local units of government and made available to landowners on the Department of Natural Resources' Web site.

Sec. 7. **BOARD OF WATER AND SOIL RESOURCES**

\$43,677,000

\$50,081,000

(a) \$2,925,000 the first year and \$7,525,000 the second year are for a pilot program to provide performance-based grants to local government units. The grants may be used to implement projects that protect, enhance, and restore surface water quality in lakes, rivers, and streams; protect groundwater from degradation; and protect drinking water sources. Projects must be identified in a comprehensive watershed plan developed under the One Watershed, One Plan or metropolitan surface water management frameworks or groundwater plans. Grant recipients must identify a nonstate match and may use other legacy funds to supplement projects funded under this paragraph.

(b) \$11,923,000 the first year and \$12,577,000 the second year are for grants to protect and restore surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system projects and stream bank, stream channel, shoreline restoration, and ravine stabilization projects. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, include a match, and be consistent with total maximum daily load (TMDL) implementation plans, watershed restoration and protection strategies (WRAPS), or local water management plans or their equivalents. A portion of these funds may be used to seek administrative efficiencies through shared resources by multiple local governmental units.

(c) \$3,325,000 the first year and \$4,275,000 the second year are for accelerated implementation, including local resource protection and enhancement grants and statewide program enhancements of supplements for technical assistance, citizen and community outreach, compliance, and training and certification.

(d) \$950,000 the first year and \$950,000 the second year are to provide state oversight and accountability, evaluate results, provide implementation tools, and measure the value of conservation program implementation by local governments, including submission to the legislature by March 1 each even-numbered year a biennial report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients, the projects funded under this section, and the amount of pollution reduced.

(e) \$3,400,000 the first year and \$3,400,000 the second year are to provide assistance, oversight, and grants for supporting local governments in implementing and complying with riparian protection and excessive soil loss requirements.

(f) \$6,000,000 the first year and \$6,000,000 the second year are to restore or preserve permanent conservation on riparian buffers adjacent to lakes, rivers, streams, and tributaries, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. This appropriation may be used for restoration of riparian buffers permanently protected by easements purchased with this appropriation or contracts to achieve permanent protection for riparian buffers or stream bank restorations when the riparian buffers have been restored. Up to \$1,920,000 is for deposit in a monitoring and enforcement account.

(g) \$84,000 the first year and \$84,000 the second year are for a technical evaluation panel to conduct ten restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(h) \$1,995,000 the first year and \$1,995,000 the second year are for assistance, oversight, and grants to local governments to transition local water management plans to a watershed approach as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D.

(i) \$750,000 the first year and \$750,000 the second year are for technical assistance and grants for the conservation drainage program in consultation with the Drainage Work Group, coordinated under Minnesota Statutes, section 103B.101, subdivision 13, that includes projects to improve multipurpose water management under Minnesota Statutes, section 103E.015.

(j) \$900,000 the first year and \$1,100,000 the second year are to purchase permanent conservation easements to protect lands adjacent to public waters with good water quality but threatened with degradation. Up to \$60,000 is for deposit in a monitoring and enforcement account.

(k) \$425,000 the first year and \$425,000 the second year are for a program to systematically collect data and produce county, watershed, and statewide estimates of soil erosion caused by water and wind along with tracking adoption of conservation measures, including cover crops, to address erosion.

(l) \$11,000,000 the first year and \$11,000,000 the second year are for grants to soil and water conservation districts to implement riparian protection requirements under Minnesota Statutes, section 103F.48.

(m) The board shall contract for delivery of services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for up to \$500,000 the first year and up to \$500,000 the second year.

(n) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(o) The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(p) The appropriations in this section are available until June 30, 2022. Returned grant funds are available until expended and shall be regranted consistent with the purposes of this section.

Sec. 8. **DEPARTMENT OF HEALTH**

\$4,858,000

\$4,857,000

(a) \$1,100,000 the first year and \$1,100,000 the second year are for addressing public health concerns related to contaminants found in Minnesota drinking water for which no health-based drinking water standards exist, including accelerating the development of health risk limits and improving the capacity of the department's laboratory to analyze unregulated contaminants.

(b) \$2,658,000 the first year and \$2,657,000 the second year are for protecting drinking water sources.

(c) \$250,000 the first year and \$250,000 the second year are for cost-share assistance to public and private well owners for up to 50 percent of the cost of sealing unused wells.

(d) \$200,000 the first year and \$200,000 the second year are to develop and deliver groundwater restoration and protection strategies for use on a watershed scale for use in local water planning efforts and to provide resources to local governments for drinking water source protection activities.

(e) \$400,000 the first year and \$400,000 the second year are for studying the occurrence and magnitude of contaminants in private wells and developing guidance and outreach to reduce risks to private-well owners.

(f) \$100,000 the first year and \$100,000 the second year are for evaluating and addressing the risks from viruses in water supplies.

(g) \$150,000 the first year and \$150,000 the second year are to develop public health policies and an action plan to address threats to safe drinking water and to conduct an analysis to determine the scope of the lead problem in Minnesota's water and the cost to eliminate lead exposure in drinking water.

(h) Unless otherwise specified, the appropriations in this section are available until June 30, 2021.

Sec. 9. **METROPOLITAN COUNCIL**

\$1,200,000

\$1,200,000

(a) \$950,000 the first year and \$950,000 the second year are to implement projects that address emerging drinking-water supply threats, provide cost-effective regional solutions, leverage interjurisdictional coordination, support local implementation of water supply reliability projects, and prevent degradation of groundwater resources in the metropolitan area. These projects will provide to communities:

(1) potential solutions to leverage regional water use through use of surface water, storm water, wastewater, and groundwater;

(2) an analysis of infrastructure requirements for different alternatives;

(3) development of planning level cost estimates, including capital cost and operation cost;

(4) identification of funding mechanisms and an equitable cost-sharing structure for regionally beneficial water supply development projects; and

(5) development of subregional groundwater models.

(b) \$250,000 the first year and \$250,000 the second year are for the water demand reduction grant program to encourage implementation of water demand reduction measures by municipalities in the metropolitan area to ensure the reliability and protection of drinking water supplies.

Sec. 10. UNIVERSITY OF MINNESOTA\$1,008,000\$1,007,000

(a) \$125,000 the first year and \$125,000 the second year are for developing county geologic atlases. This appropriation is available until June 30, 2022.

(b) \$750,000 the first year and \$750,000 the second year are for a performance evaluation and technology transfer program for storm water best management practices to enhance data and information management of storm water best management practices; evaluate best management performance and effectiveness to support meeting total maximum daily loads; develop standards and incorporate state-of-the-art guidance using minimal impact design standards as the model; and implement a knowledge and technology transfer system across local government, industry, and regulatory sectors. This appropriation is available until June 30, 2020.

(c) \$133,000 the first year and \$132,000 the second year are to provide guidance documents and tools evaluating the clean water fund's return on investment to measure impacts on water quality and human well-being as well as assist in future funding decisions.

Sec. 11. REVENUE\$2,000,000\$2,000,000

\$2,000,000 the first year and \$2,000,000 the second year are for riparian protection aid payments under Minnesota Statutes, section 477A.21.

Sec. 12. LEGISLATURE\$15,000

\$15,000 the first year is for the Legislative Coordinating Commission for the Web site required in Minnesota Statutes, section 3.303, subdivision 10.

Sec. 13. Minnesota Statutes 2016, section 114D.50, subdivision 4, is amended to read:

Subd. 4. **Expenditures; accountability.** (a) A project receiving funding from the clean water fund must meet or exceed the constitutional requirements to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater and drinking water from degradation. Priority may be given to projects that meet more than one of these requirements. A project receiving funding from the clean water fund shall include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project must be consistent with current science and incorporate state-of-the-art technology.

(b) Money from the clean water fund shall be expended to balance the benefits across all regions and residents of the state.

(c) A state agency or other recipient of a direct appropriation from the clean water fund must compile and submit all information for proposed and funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available. Information classified as not public under section 13D.05, subdivision 3, paragraph (d), is not required to be placed on the Web site.

(d) Grants funded by the clean water fund must be implemented according to section 16B.98 and must account for all expenditures. Proposals must specify a process for any regranting envisioned. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(e) Money from the clean water fund may only be spent on projects that benefit Minnesota waters.

(f) When practicable, a direct recipient of an appropriation from the clean water fund shall prominently display on the recipient's Web site home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a Web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(g) Future eligibility for money from the clean water fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the clean water fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the clean water fund until the recipient demonstrates compliance to the legislative auditor.

(h) Money from the clean water fund may be used to leverage federal funds through execution of formal project partnership agreements with federal agencies consistent with respective federal agency partnership agreement requirements.

(i) Any state agency or organization requesting a direct appropriation from the clean water fund must inform the Clean Water Council and the house of representatives and senate committees having jurisdiction over the clean water fund, at the time the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose.

Sec. 14. Minnesota Statutes 2016, section 114D.50, is amended by adding a subdivision to read:

Subd. 7. **Reserve requirement.** In any fiscal year, at least five percent of that year's projected tax receipts determined by the most recent forecast for the clean water fund must not be appropriated.

Sec. 15. **[477A.21] RIPARIAN PROTECTION AID.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "buffer protection map" has the meaning given under section 103F.48, subdivision 1; and

(2) "public watercourses" means public waters and public drainage systems subject to riparian protection requirements under section 103F.48.

Subd. 2. **Certifications to commissioner.** (a) The Board of Water and Soil Resources must certify to the commissioner of revenue, on or before July 1 each year, which counties and watershed districts have affirmed their jurisdiction under section 103F.48 and the proportion of centerline miles of public watercourses, and miles of public drainage system ditches on the buffer protection map, within each county and each watershed district within the county with affirmed jurisdiction.

(b) On or before July 1 each year, the commissioner of natural resources shall certify to the commissioner of revenue the statewide and countywide number of centerline miles of public watercourses and miles of public drainage system ditches on the buffer protection map.

Subd. 3. **Distribution.** (a) A county that is certified under subdivision 2, or that portion of a county containing a watershed district certified under subdivision 2, is eligible to receive aid under this section to enforce and implement the riparian protection and water quality practices under section 103F.48. Each county's preliminary aid amount is equal to the proportion calculated under paragraph (b) multiplied by the appropriation received each year by the commissioner for purposes of payments under this section.

(b) The commissioner must compute each county's proportion. A county's proportion is equal to the ratio of the sum in clause (1) to the sum in clause (2):

(1) the sum of the total number of acres in the county classified as class 2a under section 273.13, subdivision 23, the countywide number of centerline miles of public watercourses on the buffer protection map, and the countywide number of miles of public drainage system ditches on the buffer protection map; and

(2) the sum of the statewide total number of acres classified as class 2a under section 273.13, subdivision 23, the statewide total number of centerline miles of public watercourses on the buffer protection map, and the statewide total number of public drainage system miles on the buffer protection map.

(c) Aid to a county must not be greater than \$200,000 or less than \$50,000. If the sum of the preliminary aids payable to counties under paragraph (a) is greater or less than the appropriation under subdivision 5, the commissioner of revenue must calculate the percentage of adjustment necessary so that the total of the aid under paragraph (a) equals the total amount available for aid under subdivision 5, subject to the minimum and maximum amounts specified in this paragraph. The minimum and maximum amounts under this paragraph must be adjusted by the ratio of the actual amount appropriated to \$10,000,000.

(d) If only a portion of a county is certified as eligible to receive aid under subdivision 2, the aid otherwise payable to that county under this section must be multiplied by a fraction, the numerator of which is the buffer protection map miles of the certified watershed districts contained within the county and the denominator of which is the total buffer protection map miles of the county.

(e) Any aid that would otherwise be paid to a county or portion of a county that is not certified under subdivision 2 shall be paid to the Board of Water and Soil Resources for enforcing and implementing the riparian protection and water quality practices under section 103F.48.

Subd. 4. **Payments.** The commissioner of revenue must compute the amount of riparian protection aid payable to each eligible county and to the Board of Water and Soil Resources under this section. On or before August 1 each year, the commissioner must certify the amount to be paid to each county and the Board of Water and Soil Resources in the following year, except that the payments for 2017 must be certified by July 15, 2017. The commissioner must pay riparian protection aid to counties and to the Board of Water and Soil Resources in the same manner and at the same time as aid payments under section 477A.015.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to aids payable in 2017 and thereafter.

ARTICLE 3
PARKS AND TRAILS FUND

Section 1. **PARKS AND TRAILS FUND 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 parks and trails fund and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019. All appropriations in this article are onetime.

| | |
|--------------------------------------|--------------------|
| <u>APPROPRIATIONS</u> | |
| <u>Available for the Year</u> | |
| <u>Ending June 30</u> | |
| <u>2018</u> | <u>2019</u> |

Sec. 2. **PARKS AND TRAILS**

Subdivision 1. **Total Appropriation**

\$41,988,000

\$47,775,000

The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget's Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2018 appropriations are available until June 30, 2020, and fiscal year 2019 appropriations are available until June 30, 2021. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. **Disability Access**

Where appropriate, grant recipients of parks and trails funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing greater access to programs, print publications, and digital media for people with disabilities related to the programs the recipient funds using appropriations made in this article.

Sec. 3. **DEPARTMENT OF NATURAL RESOURCES****\$25,397,000****\$28,884,000**

(a) \$16,584,000 the first year and \$18,891,000 the second year are for state parks, recreation areas, and trails to:

(1) connect people to the outdoors;

(2) acquire land and create opportunities;

(3) maintain existing holdings; and

(4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.

(b) \$8,292,000 the first year and \$9,445,000 the second year are for grants for parks and trails of regional significance outside the seven-county metropolitan area under Minnesota Statutes, section 85.535. The grants must be based on the recommendations to the commissioner from the Greater Minnesota Regional Parks and Trails Commission established under Minnesota Statutes, section 85.536. Grants funded under this paragraph must support parks and trails of regional or statewide significance that meet the applicable definitions and criteria for regional parks and trails contained in the Greater Minnesota Regional Parks and Trails Strategic Plan adopted by the Greater Minnesota Regional Parks and Trails Commission on April 22, 2015. Grant recipients identified under this paragraph must submit a grant application to the commissioner of natural resources. Up to 2.5 percent of the appropriation may be used by the commissioner for the actual cost of issuing and monitoring the grants for the commission. Of the amount appropriated, \$424,000 the first year and \$399,000 the second year are for the Greater Minnesota Regional Parks and Trails Commission to carry out its duties under Minnesota Statutes, section 85.536, including the continued development of a statewide system plan for regional parks and trails outside the seven-county metropolitan area.

(c) By January 15, 2018, the Greater Minnesota Regional Parks and Trails Commission shall submit a list of projects, ranked in priority order, that contains the commission's recommendations for funding from the parks and trails fund for fiscal year 2019 to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources and the parks and trails fund.

(d) By January 15, 2018, the Greater Minnesota Regional Parks and Trails Commission shall submit a report that contains the commission's criteria for funding from the parks and trails fund, including the criteria used to determine if a park or trail is of regional significance, to the chairs and ranking minority members

of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources and the parks and trails fund.

(e) \$521,000 the first year and \$548,000 the second year are for coordination and projects between the department, the Metropolitan Council, and the Greater Minnesota Regional Parks and Trails Commission; enhanced Web-based information for park and trail users; and support of activities of the Parks and Trails Legacy Advisory Committee.

(f) The commissioner shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for at least \$1,000,000 the first year and \$1,000,000 the second year.

(g) The implementing agencies receiving appropriations under this section shall give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.

Sec. 4. **METROPOLITAN COUNCIL**

\$16,584,000

\$18,891,000

(a) \$16,584,000 the first year and \$18,891,000 the second year are for distribution according to Minnesota Statutes, section 85.53, subdivision 3.

(b) Money appropriated under this section and distributed to implementing agencies must be used to fund the list of recommended projects in the report submitted pursuant to Laws 2013, chapter 137, article 3, section 4, paragraph (o). Projects funded by the money appropriated under this section must be substantially consistent with the project descriptions and dollar amounts in the report. Any funds remaining after completion of the listed projects may be spent by the implementing agencies on projects to support parks and trails.

(c) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section must ensure that the funds are used to supplement and not substitute for traditional sources of funding.

(d) The implementing agencies receiving appropriations under this section shall give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.

Sec. 5. **LEGISLATURE**

\$7,000

\$7,000 the first year is for the Legislative Coordinating Commission for the Web site required in Minnesota Statutes, section 3.303, subdivision 10.

Sec. 6. Minnesota Statutes 2016, section 85.53, is amended by adding a subdivision to read:

Subd. 6. **Reserve requirement.** In any fiscal year, at least five percent of that year's projected tax receipts determined by the most recent forecast for the parks and trails fund must not be appropriated.

Sec. 7. **SAUK RIVER REGIONAL PARK GRANT EXTENSION.**

The appropriation in Laws 2013, chapter 137, article 3, section 3, paragraph (c), clause (9), from the parks and trails fund for trail enhancement, land acquisition, and other improvements at Sauk River Regional Park is available until June 30, 2022.

EFFECTIVE DATE. This section is effective retroactively from June 30, 2016.

Sec. 8. **HYLAND-BUSH-ANDERSON LAKES PARK RESERVE GRANT EXTENSION.**

The appropriations for fiscal years 2014 and 2015 in Laws 2013, chapter 137, article 3, section 4, paragraph (c), from the parks and trails fund for grants to the city of Bloomington to reconstruct parking lots at the Hyland-Bush-Anderson Lakes Park Reserve are available until June 30, 2018.

EFFECTIVE DATE. This section is effective retroactively from June 30, 2016.

Sec. 9. **ANOKA COUNTY AND DAKOTA COUNTY REALLOCATIONS.**

Notwithstanding Laws 2013, chapter 137, article 3, section 4, paragraph (o), and Laws 2015, First Special Session chapter 2, article 3, section 4, paragraph (b):

(1) Anoka County may allocate \$438,000 of its share of the distribution for fiscal year 2017 funds under Minnesota Statutes, section 85.53, subdivision 3, to Bunker Hills Regional Park in accordance with the most recent priority rankings that Anoka County has submitted to the Metropolitan Council; and

(2) Dakota County may allocate \$180,000 of its share of the distribution under Minnesota Statutes, section 85.53, subdivision 3, designated for the Vermillion River Regional Greenway to the phase 2 improvement to Whitetail Woods Regional Park in Dakota County.

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

ARTICLE 4 ARTS AND CULTURAL HERITAGE FUND

Section 1. **ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2018" and "2019" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2018, and June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019. All appropriations in this article are onetime.

APPROPRIATIONS
Available for the Year
Ending June 30
2018 2019

Sec. 2. **ARTS AND CULTURAL HERITAGE**

Subdivision 1. **Total Appropriation**

\$57,331,000

\$66,033,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with the Minnesota Management and Budget's Guidance to Agencies on Legacy Fund Expenditures. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2018 appropriations are available until June 30, 2019, and fiscal year 2019 appropriations are available until June 30, 2020. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. **Minnesota State Arts Board**

25,855,000

32,112,000

(a) These amounts are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Each grant program established in this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

(b) **Arts and Arts Access Initiatives**

\$19,000,000 the first year and \$25,342,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state.

(c) **Arts Education**

\$4,500,000 the first year and \$4,500,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts.

(d) **Arts and Cultural Heritage**

\$1,500,000 the first year and \$1,500,000 the second year are for events and activities that represent the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

(e) **Grants**

\$30,000 the first year and \$20,000 the second year are for grants to an organization for designing, consulting, creating, and administering a statewide arts software application to be used on electronic and mobile electronic devices to locate and access artists, arts organizations, and art education programs throughout Minnesota. The grantee must work in consultation with the Minnesota State Arts Board, regional arts councils, private and nonprofit arts organizations, and the regional library system to develop criteria for content to import to the software application and must make the application free to download. A portion of the funding may be used to pay the ongoing costs associated with developing content and updating the software or with contracting to develop and update the software and expand electronic content in fiscal years 2018 and 2019.

\$250,000 each year is for a grant to the Minnesota China Friendship Garden Society for the Chinese garden in Phalen Park in St. Paul to recognize the rich cultural heritage of the Chinese and Hmong in Minnesota. Grant recipients must provide a funding match of at least 25 percent of the total eligible project costs.

\$375,000 each year is for a grant to Springboard for the Arts to design and construct up to two statues of Dan Patch to be placed at the Minnesota State Fairgrounds and the city of Savage. Grant recipients must provide a funding match of at least 25 percent of the total eligible project costs.

\$125,000 each year is for a Fanka arts grant program to one or more community organizations that participate in statewide Somali arts and cultural programs that provide arts education, workshops, mentor programs, or community presentations and community engagement events.

\$75,000 the first year is for a grant to the Hmong Cultural Center for an interactive Hmong Folk Art in Minnesota exhibit.

(f) Up to 4.5 percent of the funds appropriated in paragraphs (b) to (d) may be used by the board for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability.

(g) Up to 30 percent of the remaining total appropriation to each of the categories listed in paragraphs (b) to (d) is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure the programs, projects, or exhibits are able to tour in their own region as well as all other regions of the state.

(h) Any unencumbered balance remaining under this subdivision the first year does not cancel but is available the second year.

Subd. 4. Minnesota Historical Society

12,350,000

14,750,000

(a) These amounts are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2020. The Minnesota Historical Society or grant recipients of the Minnesota Historical Society using arts and cultural heritage funds under this subdivision must give consideration to Conservation Corps Minnesota and Northern Bedrock Historic Preservation Corps, or an organization carrying out similar work, for projects with the potential to need historic preservation services.

(b) Historical Grants and Programs

(1) Statewide Historic and Cultural Grants

\$4,500,000 the first year and \$5,500,000 the second year are for history programs and projects operated or conducted by or through local, county, regional, or other historical or cultural organizations or for activities to preserve significant historic and cultural resources. Funds are to be distributed through a competitive grant process. The Minnesota Historical Society must administer these funds using established grant mechanisms, with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

Of this amount, \$300,000 the first year is for a grant to the Fairmont Opera House for restoration and renovation of historic Fairmont Opera House.

(2) Statewide History Programs

\$4,625,000 the first year and \$6,125,000 the second year are for programs and purposes related to the historical and cultural heritage of the state of Minnesota conducted by the Minnesota Historical Society.

(3) History Partnerships

\$2,000,000 the first year and \$2,000,000 the second year are for partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's history and cultural heritage in all regions of the state.

(4) Statewide Survey of Historical and Archaeological Sites

\$500,000 the first year and \$500,000 the second year are for a contract or contracts to be awarded on a competitive basis to conduct statewide surveys of Minnesota's sites of historical, archaeological, and cultural significance. Results of the surveys must be published in a searchable form and available to the public free of cost. The Minnesota Historical Society, the Office of the State Archaeologist, and the Indian Affairs Council must each appoint a representative to an oversight board to select contractors and direct the conduct of the surveys. The oversight board must consult with the Departments of Transportation and Natural Resources.

(5) Digital Library

\$375,000 the first year and \$375,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society must cooperate with the Minitex interlibrary loan system and must jointly share this appropriation for these purposes.

(6) Grants

\$125,000 each year is for a grant to the board of directors of the Carver County Historical Society to restore the historic Andrew Peterson farm in Waconia.

\$125,000 each year is for a grant to the Woodbury Barn Heritage Commission to restore the Miller Barn and historical programming at the Miller Barn in Woodbury.

\$100,000 the first year is to restore the stained glass in the historic Fort Snelling Memorial Chapel in Bloomington. The historical society may work in collaboration with the Fort Snelling Memorial Chapel Foundation.

Subd. 5. Department of Education

2,750,000

2,500,000

These amounts are appropriated to the commissioner of education for grants to the 12 Minnesota regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. These funds must be allocated using the formulas in Minnesota Statutes, section 134.355, subdivisions 3, 4, and 5, with the remaining 25 percent to be distributed to all qualifying systems in an amount proportionate to the number of qualifying system entities in each system. For purposes of this subdivision, "qualifying system entity" means a public library, a regional library system, a regional library system headquarters, a county, or an outreach service program. These funds may be used to sponsor programs provided by regional libraries or to provide grants to local arts and cultural heritage programs for programs in partnership with regional libraries. These funds must be distributed in ten equal payments per year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2019, as grants or contracts in this subdivision are available until June 30, 2020.

Subd. 6. Department of Administration

10,242,000

10,341,000

(a) These amounts are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The commissioner of administration may use a portion of this appropriation for costs that are directly related to and necessary to the administration of grants in this subdivision.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

(c) Veterans Rest Camp

\$278,000 the second year is for the Disabled Veterans Rest Camp Association for a welcome center for the veterans rest camp on Big Marine Lake.

(d) Minnesota Public Radio

\$1,650,000 each year is for Minnesota Public Radio to create programming and expand news service on Minnesota's cultural heritage and history.

(e) Association of Minnesota Public Educational Radio Stations

\$1,600,000 each year is to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19.

(f) Public Television

\$4,000,000 the first year and \$4,000,000 the second year are to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18.

Of this amount, \$650,000 the first year is for Twin Cities Public Television to produce the Vietnam: Minnesota Remembers project. Any production costs associated with the project incurred on or after February 1, 2017, are eligible for reimbursement under this section.

(g) Wilderness Inquiry

\$300,000 each year is to Wilderness Inquiry to preserve Minnesota's outdoor history, culture, and heritage by connecting Minnesota youth to natural resources.

(h) Como Park Zoo

\$1,400,000 the first year and \$1,500,000 the second year are for the Como Park Zoo for program development that features education programs and habitat enhancement, special exhibits, music appreciation programs, and historical garden access and preservation.

(i) Science Museum of Minnesota

\$600,000 each year is to the Science Museum of Minnesota for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, including student and teacher outreach, statewide educational initiatives, and community-based exhibits that preserve Minnesota's history and cultural heritage.

(j) Lake Superior Center Authority

\$150,000 each year is to the Lake Superior Center Authority to develop, prepare, and construct an exhibit on river systems.

(k) Green Giant Museum

\$300,000 the first year is to the city of Blue Earth to predesign, design, construct, furnish, and equip the Green Giant Museum to preserve the culture and history of Minnesota.

(l) Lake Superior Zoo

\$75,000 each year is to the Lake Superior Zoo to develop educational exhibits and programs.

(m) Minnesota State Band

\$25,000 each year is to the Minnesota State Band to promote and increase public performances across Minnesota.

(n) Rice County Veterans Memorial

\$30,000 the first year is to Rice County to complete the Rice County Veterans Memorial in Faribault.

(o) Minnesota Square Park Pavilion

\$112,000 the first year and \$113,000 the second year are to the city of St. Peter to reconstruct the Minnesota Square Park pavilion in St. Peter.

(p) Waseca County Veterans Memorial

\$50,000 the second year is to Waseca County to complete the Waseca County Veterans Memorial.

Subd. 7. Minnesota Zoo1,775,0001,850,000

These amounts are appropriated to the Minnesota Zoological Board for programs and development of the Minnesota Zoological Garden and to provide access and education related to programs on the cultural heritage of Minnesota.

Subd. 8. Minnesota Humanities Center2,575,0002,705,000

(a) These amounts are appropriated to the Board of Directors of the Minnesota Humanities Center for the purposes specified in this subdivision. The Minnesota Humanities Center may use up to 4.5 percent of the following grants to cover the cost of administering, planning, evaluating, and reporting these grants. The Minnesota Humanities Center must develop a written plan to issue the grants in this subdivision and must submit the plan for review and approval by the Department of Administration. The written plan must require the Minnesota Humanities Center to create and adhere to grant policies that are similar to those established according to Minnesota Statutes, section 16B.97, subdivision 4, paragraph (a), clause (1).

No grants awarded in this subdivision may be used for travel outside the state of Minnesota. The grant agreement must specify the repercussions for failing to comply with the grant agreement.

(b) Programs and Purposes

\$1,125,000 each year is for programs and purposes of the Minnesota Humanities Center. Of this amount, \$125,000 each year may be used for the Why Treaties Matter exhibit.

The Minnesota Humanities Center may consider museums and organizations celebrating the identities of Minnesotans for grants from these funds.

Of this amount, \$55,000 the first year is for a grant to the Minnesota Council on Disability to enhance and enlarge the historical digital archives collection "With An Eye to the Past" for oral history interviews and document collection, production, consultation, transcription, closed captioning, Web site administration, and evaluation.

(c) Community Identity and Heritage Grant Program

\$100,000 the first year and \$250,000 the second year are for a competitive grants program to provide grants to preserve and promote the cultural heritage of Minnesota.

Of this amount, up to \$150,000 the second year is for a grant to the city of St. Paul or Ramsey County to develop and install activity facilities in parks for Tawkaw Courts that are reflective of the current demographics in Ramsey County. This grant is available if the recipient provides at least a 25 percent match for funding.

The Minnesota Humanities Center must operate a competitive grants program to provide grants to programs, including but not limited to music, film, television, radio, recreation, and design and use of public spaces that preserve and honor the cultural heritage of Minnesota or that provide education and student outreach on cultural diversity or to programs that empower communities to build their identity and culture. Grants made under this paragraph must not be used for travel costs inside or outside the state.

(d) Children's Museum Grants

\$1,030,000 the first year and \$1,110,000 the second year are for arts and cultural heritage grants to children's museums for arts and cultural exhibits and related educational outreach programs.

Of this amount, \$500,000 each year is for the Minnesota Children's Museum for interactive exhibits and outreach programs on arts and cultural heritage, including the Minnesota Children's Museum in

Rochester; \$150,000 each year is for the Duluth Children's Museum for interactive exhibits and outreach programs on arts and cultural heritage; \$150,000 each year is for the Grand Rapids Children's Museum for interactive exhibits and outreach programs on arts and cultural heritage; \$150,000 each year is for the Southern Minnesota Children's Museum for the Mni Wiconi and other arts and cultural exhibits; and \$80,000 the second year is for the Wheel and Cog Children's Museum of Hutchinson for interactive exhibits and outreach programs on arts and cultural heritage.

(e) Civics Programs

\$200,000 each year is for grants to the Minnesota Civic Education Coalition: Minnesota Civic Youth, the Learning Law and Democracy Foundation, and YMCA Youth in Government to conduct civics education programs for the civic and cultural development of Minnesota youth. Civics education is the study of constitutional principles and the democratic foundation of our national, state, and local institutions and the study of political processes and structures of government, grounded in the understanding of constitutional government under the rule of law.

(f) Somali Museum of Minnesota

\$100,000 each year is for a grant to the Somali Museum of Minnesota for the Heritage Arts and Cultural Vitality programs for classes, exhibits, presentations, and outreach about the Somali community and heritage in Minnesota.

(g) Rondo Commemorative Plaza

\$100,000 the first year is for a grant to Rondo Avenue, Inc. for the Rondo Commemorative Plaza to celebrate the historic Rondo neighborhood.

Subd. 9. Indian Affairs Council

1,275,000

1,275,000

(a) \$900,000 each year is for the Indian Affairs Council to provide grants to preserve Dakota and Ojibwe Indian language and to foster education programs and immersion programs in Dakota and Ojibwe language.

(b) \$125,000 each year is to the Indian Affairs Council for a grant to the Niiganne Ojibwe Immersion School.

(c) \$250,000 each year is to the Indian Affairs Council for a grant to the Wicoie Nandagikendan Urban Immersion Project and potentially Baby's Space and other partners at the Neighborhood Early Learning Center. Wicoie Nandagikendan Urban Immersion Project shall work in coordination with the Indian Affairs Council to develop capacity and implement a language immersion program with Baby's Space and other partners.

Subd. 10. Department of Agriculture500,000500,000

These amounts are appropriated to the commissioner of agriculture for grants to county agricultural societies to enhance arts access and education and to preserve and promote Minnesota's history and cultural heritage as embodied in its county fairs. The grants are in addition to the aid distribution to county agricultural societies under Minnesota Statutes, section 38.02. The commissioner of agriculture shall develop grant-making criteria and guidance for expending funds under this subdivision. The commissioner shall seek input from all interested parties.

Of this amount, \$200,000 each year is distributed in equal amounts to each of the 95 county fairs to enhance arts access and education and to preserve and promote Minnesota's history and cultural heritage.

Of this amount, \$200,000 each year is distributed as competitive grants for developing or enhancing facilities that provide access to arts, arts education, and agriculture or historical and cultural heritage programs.

Of this amount, \$100,000 each year is distributed as competitive grants for specific projects and events that provide access to the arts or the state's agricultural, historical, and cultural heritage.

Subd. 11. Legislative Coordinating Commission9,000-0-

This amount is for the Legislative Coordinating Commission to maintain the Web site required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 3. Minnesota Statutes 2016, section 129D.17, subdivision 4, is amended to read:

Subd. 4. **Minnesota State Arts Board allocation.** At least 47 percent of the money deposited in the total appropriations from the arts and cultural heritage fund in a fiscal biennium must be for grants and services awarded through the Minnesota State Arts Board, or regional arts councils subject to appropriation.

Sec. 4. Minnesota Statutes 2016, section 129D.17, is amended by adding a subdivision to read:

Subd. 5. **Reserve requirement.** In any fiscal year, at least five percent of that year's projected tax receipts determined by the most recent forecast for the arts and cultural heritage fund must not be appropriated.

Sec. 5. **ARTS AND CULTURAL HERITAGE FUND RECIPIENT DEDICATED DISPARITIES ASSISTANCE.**

(a) Entities receiving \$1,000,000 or more in arts and cultural heritage funds for programming or projects in this article must provide a portion of funding, through their own operating budget or using the percentage of arts and cultural heritage funds necessary, to create measurable goals and outcomes to increase access to programs and reduce disparities for access to programs funded by the arts and cultural heritage fund. Each entity required to comply with this section shall designate an employee to be responsible for the requirements of this section. Measurable goals may include:

(1) providing outreach or programming in different languages;

(2) improving access for individuals with disabilities and improving compliance with the Americans with Disabilities Act;

(3) improving access to programs in different regions of the state or assisting community members in regions of the state that are traditionally underserved in accessing programs;

(4) increasing access to individuals of different ages or from different races or cultures than have traditionally accessed the programs provided by the entity receiving funds; and

(5) improving access to low-income individuals and families, including providing free and reduced-cost programming to those individuals and families and to schools with a high percentage of students who receive free or reduced-price lunch.

(b) The funding must be used to create measurable goals and outcomes, to measure those goals, and to provide a written report to the house of representatives and senate committees with jurisdiction over the arts and cultural heritage fund by December 15, 2018."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money from outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; providing for riparian protection aid; modifying requirements for expending money from legacy funds; modifying and extending prior appropriations; requiring reports; amending Minnesota Statutes 2016, sections 85.53, by adding a subdivision; 97A.056, subdivision 3, by adding subdivisions; 114D.50, subdivision 4, by adding a subdivision; 129D.17, subdivision 4, by adding a subdivision; Laws 2012, chapter 264, article 1, section 2, subdivision 5, as amended; Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 2, as amended; Laws 2016, chapter 172, article 1, section 2, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapter 477A; repealing Minnesota Statutes 2016, section 97A.056, subdivision 8."

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

The report was adopted.

Dauids from the Committee on Taxes to which was referred:

H. F. No. 861, A bill for an act relating to transportation finance; establishing the budget for transportation activities; modifying various provisions governing transportation finance and policy; amending allocation of certain taxes and fees; establishing a fund; making appropriations; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2016, sections 16A.88, subdivision 2; 115A.908, subdivision 2; 117.189; 160.18, by adding a subdivision; 161.081, subdivision 3; 161.088, subdivisions 4, 5, 7; 161.115, subdivision 190; 161.14, by adding subdivisions; 161.321, subdivision 6; 161.38, by adding a subdivision; 161.44, subdivisions 5, 6a, by adding a subdivision; 162.145, subdivision 2; 168.013, subdivision 1a, by adding a subdivision; 168.021, subdivisions 1, 2, 2a; 168.33, subdivision 2; 168A.09, subdivision 1; 169.011, subdivision 34, by adding a subdivision; 169.18, subdivision 5; 169.345, subdivisions 1, 3; 169.444, subdivision 2; 169.449, subdivision 1; 169.865, subdivision 3; 171.02, subdivision 2b; 171.06, subdivision 2a; 171.061, subdivision 3; 171.12, subdivision 6; 173.02, subdivisions 18, 23, by adding subdivisions; 173.06, subdivision 1; 173.07, subdivision 1; 173.08, by adding subdivisions; 173.13, subdivision 11; 173.16, by adding subdivisions; 174.03, subdivisions 1a, 1c, by adding a subdivision;

174.50, subdivisions 5, 6b, 6c, 7; 174.56, subdivisions 1, 2, by adding a subdivision; 174.93; 219.166; 219.20, subdivision 1; 221.031, by adding a subdivision; 222.49; 222.50, subdivision 6, by adding a subdivision; 297A.815, subdivision 3; 297A.94; 297A.992, subdivision 6a; 297A.993, subdivision 2, by adding a subdivision; 299D.03, subdivision 6; 473.13, subdivision 1; 473.146, subdivision 3; 473.388, subdivision 4; 473.39, by adding a subdivision; 473.3994, by adding subdivisions; 473.4051, subdivision 3; Laws 2015, chapter 75, article 1, section 3, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 168; 169; 173; 174; 219; 398A; 471; 473; repealing Minnesota Statutes 2016, sections 161.115, subdivision 32; 297A.992, subdivision 12; 473.4051, subdivision 2; Minnesota Rules, parts 8810.0800, subpart 3; 8810.1300, subpart 4.

Reported the same back with the following amendments:

Page 12, lines 24, 27, and 31, delete "4" and insert "3"

Page 14, line 6, delete "4" and insert "3"

Page 34, delete article 3

Page 39, after line 30, insert:

"Sec. 2. Minnesota Statutes 2016, section 53C.01, subdivision 2, is amended to read:

Subd. 2. **Cash sale price.** "Cash sale price" means the price at which the seller would in good faith sell to the buyer, and the buyer would in good faith buy from the seller, the motor vehicle which is the subject matter of the retail installment contract, if such sale were a sale for cash, instead of a retail installment sale. The cash sale price may include any taxes, charges for delivery, servicing, repairing, or improving the motor vehicle, including accessories and their installation, and any other charges agreed upon between the parties. The cash price may ~~not~~ include a documentary fee or document administration fee ~~in excess of \$75 for services actually rendered to, for, or on behalf of, the retail buyer in preparing, handling, and processing documents relating to the motor vehicle and the closing of the retail sale authorized under section 168.27, subdivision 31. "Documentary fee" and "document administration fee" do not include an optional electronic transfer fee as defined under subdivision 14.~~

Page 40, after line 5, insert:

"Sec. 4. Minnesota Statutes 2016, section 117.036, subdivision 2, is amended to read:

Subd. 2. **Appraisal.** (a) Before commencing an eminent domain proceeding under this chapter for an acquisition greater than \$25,000, the acquiring authority must obtain at least one appraisal for the property proposed to be acquired. In making the appraisal, the appraiser must confer with one or more of the owners of the property, if reasonably possible. For acquisitions less than \$25,000, the acquiring authority may obtain a minimum damage acquisition report in lieu of an appraisal. In making the minimum damage acquisition report, the qualified person with appraisal knowledge must confer with one or more of the owners of the property, if reasonably possible. Notwithstanding section 13.44, the acquiring authority must provide the owner with a copy of (1) each appraisal for property acquisitions over \$25,000, or (2) the minimum damage acquisition report for properties under \$25,000, the acquiring authority has obtained for the property at the time an offer is made, but no later than 60 days before presenting a petition under section 117.055. The acquiring authority must also inform the owner of the right to obtain an appraisal under this section. Upon request, the acquiring authority must make available to the owner all appraisals for properties over \$25,000, or the minimum damage acquisition report for properties under \$25,000. If the acquiring authority is considering both a full and partial taking of the property, the acquiring authority shall obtain and provide the owner with appraisals for properties over \$25,000 for both types of takings, or minimum damage acquisition reports for properties under \$25,000.

(b) The owner may obtain an appraisal by a qualified appraiser of the property proposed to be acquired. The owner is entitled to reimbursement for the reasonable costs of the appraisal from the acquiring authority up to a maximum of \$1,500 for single family and two-family residential property and minimum damage acquisitions and ~~\$5,000~~ \$20,000 for other types of property, provided that the owner submits to the acquiring authority the information necessary for reimbursement, including a copy of the owner's appraisal, at least five days before a condemnation commissioners' hearing. For purposes of this subdivision, a "minimum damage acquisition" means an interest in property that a qualified person having an understanding of the local real estate market indicates can be acquired for \$25,000 or less.

(c) The acquiring authority must pay the reimbursement to the owner within 30 days after receiving a copy of the appraisal and the reimbursement information. Upon agreement between the acquiring authority and the owner, the acquiring authority may pay the reimbursement directly to the appraiser.

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

Page 49, delete section 19

Page 50, delete section 20

Page 55, after line 7, insert:

"Sec. 27. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to read:

Subd. 31. **Documentary fee.** A motor vehicle dealer may not charge a documentary fee or document administration fee in excess of \$150 for services actually rendered to, for, or on behalf of the retail buyer or lessee to prepare, handle, and process documents for the closing of a motor vehicle retail sale or lease. The fee must be separately stated on the sales agreement maintained under Minnesota Rules, part 7400.5200, and may be excluded from the dealer's advertised price. "Documentary fee" and "document administration fee" do not include an optional electronic transfer fee as defined under section 53C.01, subdivision 14."

Page 57, delete section 29

Page 91, line 16, after "include" insert "in its budget"

Page 91, line 17, delete "in the budget" and strike "succeeding" and insert "next"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, delete "amending allocation of certain taxes and fees;"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 888, A bill for an act relating to state government; appropriating money for environment, natural resources, and tourism purposes; modifying fees; creating accounts; providing for disposition of certain receipts; modifying grant, contract, and lease provisions; modifying water safety provisions; modifying provisions to take, possess, and transport wildlife; modifying duties and authority; modifying buffer requirements; modifying wetland provisions; modifying invasive species provisions; modifying off-highway vehicle provisions; modifying permit and license requirements; modifying Petroleum Tank Release Cleanup Act; extending ban on open air swine basins; modifying environmental review; modifying Environmental Quality Board; requiring reports; requiring rulemaking; amending Minnesota Statutes 2016, sections 84.01, by adding a subdivision; 84.027, subdivisions 14a, 14b, by adding subdivisions; 84.788, subdivision 2; 84.793, subdivision 1; 84.82, subdivision 2; 84.925, subdivision 1; 84.9256, subdivisions 1, 2; 84.946, subdivision 2, by adding a subdivision; 84.992, subdivisions 3, 4, 5, 6; 84D.03, subdivisions 3, 4; 84D.04, subdivision 1; 84D.05, subdivision 1; 84D.108, subdivision 2a, by adding a subdivision; 84D.11, by adding a subdivision; 85.052, subdivision 1; 85.054, by adding a subdivision; 85.055, subdivision 1; 85.22, subdivision 2a; 85.32, subdivision 1; 86B.313, subdivision 1; 86B.511; 86B.701, subdivision 3; 88.01, subdivision 28; 88.523; 89.39; 90.01, subdivisions 8, 12, by adding a subdivision; 90.041, subdivision 2; 90.051; 90.101, subdivision 2; 90.14; 90.145, subdivision 2; 90.151, subdivision 1; 90.162; 90.252; 93.47, subdivision 4; 93.481, subdivision 2; 93.50; 94.343, subdivision 9; 94.344, subdivision 9; 97A.015, subdivisions 39, 43, 45, 52, 53; 97A.045, subdivision 10; 97A.075, subdivision 1; 97A.137, subdivision 5; 97A.201, subdivision 2, by adding a subdivision; 97A.301, subdivision 1; 97A.338; 97A.420, subdivision 1; 97A.421, subdivision 2a; 97B.031, subdivision 6; 97B.516; 97B.655, subdivision 1; 97C.401, subdivision 2; 97C.501, subdivision 1; 97C.701, by adding a subdivision; 103B.101, subdivision 12a; 103F.411, subdivision 1; 103F.48, subdivisions 1, 3, 7; 103G.005, subdivisions 10b, 10h, by adding a subdivision; 103G.222, subdivisions 1, 3; 103G.2242, subdivision 2; 103G.2372, subdivision 1; 103G.271, subdivisions 1, 6, 6a, 7, by adding a subdivision; 103G.287, subdivisions 1, 4; 103G.411; 114D.25, by adding a subdivision; 115B.41, subdivision 1; 115B.421; 115C.021, subdivision 1, by adding a subdivision; 116.03, subdivision 2b, by adding subdivisions; 116.07, subdivision 4d, by adding subdivisions; 116.0714; 116C.03, subdivision 2; 116C.04, subdivision 2; 116D.04, subdivisions 2a, 10; 116D.045, subdivision 1; 160.06; 168.1295, subdivision 1; 296A.18, subdivision 6a; Laws 2013, chapter 114, article 4, section 105; Laws 2015, First Special Session chapter 4, article 4, section 136; Laws 2016, chapter 189, article 3, sections 6; 46; proposing coding for new law in Minnesota Statutes, chapters 85; 93; 97B; 115; 115B; repealing Minnesota Statutes 2016, sections 84.026, subdivision 3; 97B.031, subdivision 5; 97C.701, subdivisions 1a, 6; 97C.705; 97C.711; 116C.04, subdivisions 3, 4; Minnesota Rules, parts 6258.0100; 6258.0200; 6258.0300; 6258.0400; 6258.0500; 6258.0600; 6258.0700, subparts 1, 4, 5; 6258.0800; 6258.0900.

Reported the same back with the following amendments:

Page 2, line 23, delete "93,016,000" and insert "97,016,000"

Page 2, after line 30, insert:

| | | |
|-------------------------------------|------------------|--------------|
| " <u>Closed Landfill Investment</u> | <u>4,000,000</u> | <u>-0-</u> " |
|-------------------------------------|------------------|--------------|

Page 8, line 3, delete "10,645,000" and insert "14,645,000"

Page 8, after line 8, insert:

| | | |
|-------------------------------------|------------------|--------------|
| " <u>Closed Landfill Investment</u> | <u>4,000,000</u> | <u>-0-</u> " |
|-------------------------------------|------------------|--------------|

Page 9, after line 17, insert:

"(e) Notwithstanding Minnesota Statutes, section 115B.421, \$4,000,000 the first year is from the closed landfill investment fund for remedial investigations, feasibility studies, engineering, and cleanup-related activities for purposes of indemnification agreements and environmental response actions at a qualified facility under Minnesota Statutes, section 115B.431. By January 15, 2018, the commissioner must submit a status report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources. This is a onetime appropriation and is available until June 30, 2019."

Page 32, after line 12, insert:

"Section 1. **[15.0541] NO NET GAIN; COUNTIES.**

(a) A county located in whole or in part north of U.S. Highway 2 may file a no-net-gain of state lands policy, adopted by the county board, with the commissioner of natural resources. The policy must express the county's policy against the acquisition of additional land by the state in the county.

(b) When a state agency acquires private land in a county that has filed a no-net-gain of state lands policy under this section, the commissioner of natural resources, for lands acquired by the commissioner, or the commissioner of administration, for lands acquired by another state agency, must sell to a private individual or entity an equal or greater number of acres of land in the county. The value of the land sold must be of at least substantially equal value of the lands acquired. Notwithstanding section 94.10, subdivision 2, if lands being offered for sale to comply with this section remain unsold after a public sale offering, the lands may be sold for less than the appraised value. Land sold under this paragraph must not be sold for less than 75 percent of the appraised value.

(c) For the purposes of this section, the following terms have the meanings given:

(1) "agency" has the meaning given under section 16B.01, subdivision 2, excluding the Department of Transportation and including the Minnesota State Colleges and Universities; and

(2) "substantially equal value" has the meaning given under section 94.343, subdivision 3, paragraph (b)."

Page 86, line 22, after "permit" insert "that is not an industrial or mining permit"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, after "authority;" insert "providing for no net gain of state lands;"

Correct the title numbers accordingly

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

The report was adopted.

Dauids from the Committee on Taxes to which was referred:

H. F. No. 890, A bill for an act relating to education finance; providing funding in early childhood, kindergarten through grade 12, and adult education, including general education, education excellence, teachers, special education, facilities and technology, nutrition, libraries, early childhood and family support, community education and prevention, self-sufficiency and lifelong learning, and state agencies; making forecast adjustments; requiring a report; appropriating money; amending Minnesota Statutes 2016, sections 13.321, by adding a subdivision; 13.461, by adding a subdivision; 43A.08, subdivisions 1, 1a; 120A.22, subdivision 9; 120A.41; 120B.021, subdivisions 1, 3; 120B.022, subdivision 1b; 120B.12, subdivision 2; 120B.22, subdivision 2; 120B.23, subdivision 3; 120B.232, subdivision 1; 120B.30, subdivision 1; 120B.31, subdivision 4, by adding a subdivision; 120B.35, subdivision 3; 120B.36, subdivision 1; 121A.22, subdivision 2; 121A.221; 122A.09, subdivision 4a; 122A.14, subdivision 9; 122A.18, subdivisions 7c, 8; 122A.21, subdivisions 1, 2, by adding a subdivision; 122A.245, subdivisions 1, 2, 3, 10; 122A.40, subdivision 10; 122A.41, by adding a subdivision; 122A.415, subdivision 4; 122A.416; 123A.30, subdivision 6; 123B.41, subdivisions 2, 5a; 123B.42, subdivision 3; 123B.52, subdivision 1, by adding a subdivision; 123B.595, subdivisions 1, 4; 123B.92, subdivisions 1, 9; 124D.03, subdivision 5a; 124D.05, subdivision 3; 124D.09, subdivisions 3, 5, 9, 12, 13, by adding subdivisions; 124D.095, subdivision 3; 124D.1158, subdivisions 3, 4; 124D.135, subdivision 1; 124D.15, subdivision 1; 124D.16, subdivision 2; 124D.165, subdivisions 1, 2, 3, 4; 124D.531, subdivision 1; 124D.549; 124D.55; 124D.59, subdivision 2; 124D.68, subdivision 2; 124E.03, subdivision 2; 124E.11; 125A.08; 125A.0941; 125A.11, subdivision 1; 125A.21, subdivision 2; 125A.515; 125A.56, subdivision 1; 125A.74, subdivision 1; 126C.05, subdivisions 1, 8; 126C.10, subdivisions 2, 2a, 3, 13a; 127A.41, subdivision 3; 127A.45, subdivision 10; 134.31, subdivision 2; 136A.1791, subdivisions 1, 2, 9; 256B.0625, subdivision 26; 256J.08, subdivisions 38, 39; 297A.70, subdivision 2; Laws 2015, First Special Session chapter 3, article 1, section 27, subdivisions 2, as amended, 3, 4, as amended, 6, as amended, 7, as amended, 9, as amended; article 2, section 70, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 7, as amended, 11, as amended; article 4, section 9, subdivision 2, as amended; article 5, section 30, subdivisions 2, as amended, 3, as amended, 5, as amended, 6; article 6, section 13, subdivisions 2, as amended, 3, as amended; article 7, section 7, subdivisions 2, as amended, 3, as amended, 4, as amended; article 9, section 8, subdivisions 5, as amended, 6, as amended; article 10, section 3, subdivision 2, as amended; article 11, section 3, subdivision 2, as amended; Laws 2016, chapter 189, article 25, sections 58; 62, subdivisions 7, 17; proposing coding for new law in Minnesota Statutes, chapters 120A; 120B; 121A; 122A; 124D; 125A; 126C; 127A; 136A; proposing coding for new law as Minnesota Statutes, chapter 119C; repealing Minnesota Statutes 2016, sections 122A.40, subdivision 11; 122A.41, subdivision 14; 124D.151; 124D.73, subdivision 2; 129C.10; 129C.105; 129C.15; 129C.20; 129C.25; 129C.26; 129C.30; Minnesota Rules, parts 3500.3100, subpart 4; 3600.0010, subparts 1, 2, 2a, 2b, 3, 6; 3600.0020; 3600.0030, subparts 1, 2, 4, 6; 3600.0045; 3600.0055; 3600.0065; 3600.0075; 3600.0085.

Reported the same back with the following amendments:

Page 10, line 7, delete "\$6,158" and insert "\$6,143"

Page 10, line 8, delete "\$6,249" and insert "\$6,220"

Page 12, line 11, delete "\$15,000,000" and insert "\$12,289,000"

Page 15, line 7, delete "6,981,830,000" and insert "6,968,559,000"

Page 15, line 8, delete "7,135,532,000" and insert "7,105,273,000"

Page 15, line 9, delete "\$6,295,002,000" and insert "\$6,281,731,000"

Page 15, line 10, delete "\$699,444,000" and insert "\$697,970,000" and delete "\$6,436,088,000" and insert "\$6,407,303,000"

Page 60, delete section 39

Page 98, line 31, after the period, insert "The Crosswinds facilities must be conveyed for no less than \$10,000,000."

Page 108, after line 2, insert:

"(d) The director must establish written procedures to ensure that the director's employees or independent contractors have access to private data only if authorized. The director may authorize an employee or independent contractor to access private data only if access is necessary to fulfill official duties. All actions in which private data are entered, updated, accessed, shared, or disseminated must be recorded in a data audit trail. Data contained in the audit trail are public to the extent that the data are not otherwise classified by law."

Page 108, line 4, after "education" insert "in the senate and house of representatives,"

Page 108, line 7, delete "and"

Page 108, line 8, after "granted" insert ", and the number of children whose parent or guardian did not consent to sharing private data with the director"

Page 121, after line 4, insert:

"Sec. 23. **SCHOOL READINESS ADJUSTMENT.**

(a) The amounts in paragraphs (b) and (c) must be added to a district's school readiness aid under Minnesota Statutes, section 124D.16.

(b) For fiscal year 2018, a district's school readiness adjustment equals:

(1) the district's total voluntary prekindergarten revenue for fiscal year 2017; less

(2) the difference between the district's school readiness aid for fiscal year 2018 and its school readiness aid for 2017.

(c) For fiscal year 2019, a district's school readiness adjustment equals:

(1) 90 percent of the district's total voluntary prekindergarten revenue for fiscal year 2017; less

(2) the difference between the district's school readiness aid for fiscal year 2019 and its school readiness aid for fiscal year 2017.

EFFECTIVE DATE. This section is effective for revenue for fiscal years 2018 and 2019 only."

Page 121, line 11, delete "37,283,000" and insert "58,051,000"

Page 121, line 12, delete "38,583,000" and insert "58,368,000"

Page 121, line 13, delete "\$33,915,000" and insert "\$54,683,000"

Page 121, line 14, delete "\$3,768,000" and insert "\$6,075,000" and delete "\$34,815,000" and insert "\$52,293,000"

Renumber the sections in sequence

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

The report was adopted.

Nornes from the Committee on Higher Education and Career Readiness Policy and Finance to which was referred:

H. F. No. 2477, A bill for an act relating to higher education; providing funding and related policy changes for the Office of Higher Education, the Minnesota State Colleges and Universities, the University of Minnesota, and other related programs; modifying state grant program calculation parameters; requiring reports; appropriating money; amending Minnesota Statutes 2016, sections 135A.031, subdivision 7; 135A.15, subdivision 1a; 136A.101, subdivision 5a; 136A.1275; 136A.685; Laws 2014, chapter 312, article 1, section 15; proposing coding for new law in Minnesota Statutes, chapter 298.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
HIGHER EDUCATION APPROPRIATIONS

Section 1. **HIGHER EDUCATION 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 "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

| <u>APPROPRIATIONS</u> | |
|--------------------------------------|--------------------|
| <u>Available for the Year</u> | |
| <u>Ending June 30</u> | |
| <u>2018</u> | <u>2019</u> |

Sec. 2. **MINNESOTA OFFICE OF HIGHER EDUCATION**

| | | |
|--|-----------------------------|-----------------------------|
| <u>Subdivision 1. Total Appropriation</u> | <u>\$252,725,000</u> | <u>\$248,535,000</u> |
|--|-----------------------------|-----------------------------|

The amounts that may be spent for each purpose are specified in the following subdivisions.

| | | |
|-------------------------------------|--------------------|--------------------|
| <u>Subd. 2. State Grants</u> | <u>193,281,000</u> | <u>193,281,000</u> |
|-------------------------------------|--------------------|--------------------|

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

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| <u>Subd. 3. Child Care Grants</u> | <u>6,708,000</u> | <u>6,709,000</u> |
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|---|-------------------|-------------------|
| <u>Subd. 4. State Work-Study</u> | <u>14,502,000</u> | <u>14,502,000</u> |
|---|-------------------|-------------------|

| | | |
|---|-------------------|-------------------|
| <u>Subd. 5. Interstate Tuition Reciprocity</u> | <u>11,018,000</u> | <u>11,018,000</u> |
|---|-------------------|-------------------|

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

| | | |
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| <u>Subd. 6. Safety Officer's Survivors</u> | <u>100,000</u> | <u>100,000</u> |
|---|----------------|----------------|

(a) This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to eligible dependent children and to the spouses of public safety officers killed in the line of duty.

(b) If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

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| <u>Subd. 7. Indian Scholarships</u> | <u>3,500,000</u> | <u>3,500,000</u> |
|--|------------------|------------------|

The commissioner must contract with or employ at least one person with demonstrated competence in American Indian culture and residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. Bemidji State University must provide office space at no cost to the Minnesota Office of Higher Education for purposes of administering the American Indian scholarship program under Minnesota Statutes, section 136A.126. This appropriation includes funding to administer the American Indian scholarship program.

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| <u>Subd. 8. Tribal College Grants</u> | <u>150,000</u> | <u>150,000</u> |
|--|----------------|----------------|

For tribal college assistance grants under Minnesota Statutes, section 136A.1796.

| | | |
|---|----------------|----------------|
| <u>Subd. 9. Intervention for College Attendance Program Grants</u> | <u>671,000</u> | <u>671,000</u> |
|---|----------------|----------------|

(a) For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

(b) This appropriation includes funding to administer the intervention for college attendance program grants.

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| Subd. 10. <u>Student-Parent Information</u> | <u>122,000</u> | <u>122,000</u> |
| Subd. 11. <u>Get Ready!</u> | <u>180,000</u> | <u>180,000</u> |
| Subd. 12. <u>Minnesota Education Equity Partnership</u> | <u>45,000</u> | <u>45,000</u> |
| Subd. 13. <u>Midwest Higher Education Compact</u> | <u>115,000</u> | <u>115,000</u> |
| Subd. 14. <u>United Family Medicine Residency Program</u> | <u>501,000</u> | <u>501,000</u> |

For a grant to United Family Medicine residency program. This appropriation shall be used to support up to 21 resident physicians each year in family practice at United Family Medicine residency programs and shall prepare doctors to practice family care medicine in underserved rural and urban areas of the state. It is intended that this program will improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a cost-effective manner.

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| Subd. 15. <u>MnLINK Gateway and Minitex</u> | <u>5,905,000</u> | <u>5,905,000</u> |
| Subd. 16. <u>Statewide Longitudinal Education Data System</u> | <u>882,000</u> | <u>882,000</u> |
| Subd. 17. <u>Hennepin County Medical Center</u> | <u>645,000</u> | <u>645,000</u> |

For transfer to Hennepin County Medical Center for graduate family medical education programs at Hennepin County Medical Center.

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| Subd. 18. <u>MNSCU Two-Year Public College Program</u> | <u>3,481,000</u> | <u>0</u> |
|---|------------------|----------|

For the MNSCU two-year public college program under Laws 2015, chapter 69, article 3, section 20.

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| Subd. 19. <u>College Possible</u> | <u>250,000</u> | <u>250,000</u> |
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(a) This appropriation is for immediate transfer to College Possible to support programs of college admission and college graduation for low-income students through an intensive curriculum of coaching and support at both the high school and postsecondary level.

(b) This appropriation must, to the extent possible, be proportionately allocated between students from greater Minnesota and students in the seven-county metropolitan area.

(c) This appropriation must be used by College Possible only for programs supporting students who are residents of Minnesota and attending colleges or universities within Minnesota.

(d) By February 1 of each year, College Possible must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education and E-12 education on activities funded by this appropriation. The report must include, but is not limited to, information about the expansion of College Possible in Minnesota, the number of College Possible coaches hired, the expansion within existing partner high schools, the expansion of high school partnerships, the number of high school and college students served, the total hours of community service by high school and college students, and a list of communities and organizations benefiting from student service hours.

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| <u>Subd. 20. Addiction Medicine Graduate Fellowship Program</u> | <u>210,000</u> | <u>0</u> |
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For the addiction medicine graduate fellowship program under Laws 2016, chapter 189, article 1, section 2, subdivision 4.

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| <u>Subd. 21. Large Animal Veterinarian Loan Forgiveness Program</u> | <u>250,000</u> | <u>0</u> |
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For the large animal veterinarian loan forgiveness program under Minnesota Statutes, section 136A.1795. This is a onetime appropriation and is available until June 30, 2024.

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| <u>Subd. 22. Spinal Cord Injury and Traumatic Brain Injury Research Grant Program</u> | <u>2,000,000</u> | <u>2,000,000</u> |
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(a) For spinal cord injury and traumatic brain injury research grants authorized under Minnesota Statutes, section 136A.901.

(b) The commissioner may use no more than three percent of this appropriation to administer the grant program under this subdivision.

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| <u>Subd. 23. Summer Academic Enrichment Program</u> | <u>200,000</u> | <u>200,000</u> |
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(a) For summer academic enrichment grants under Minnesota Statutes, section 136A.091.

(b) The commissioner may use no more than three percent of this appropriation to administer the grant program under this subdivision.

Subd. 24. Dual Training Competency Grants; Office of Higher Education2,000,0002,000,000(a) For training grants under Minnesota Statutes, section 136A.246.(b) The commissioner may use no more than three percent of this appropriation to administer the grant program under this subdivision.**Subd. 25. Dual Training Competency Grants; Department of Labor and Industry**200,000200,000For transfer to the commissioner of labor and industry for identification of competency standards for dual training under Minnesota Statutes, section 175.45.**Subd. 26. Concurrent Enrollment Courses**340,000340,000(a) \$225,000 in fiscal year 2018 and \$225,000 in fiscal year 2019 are for grants to develop new concurrent enrollment courses under Minnesota Statutes, section 124D.09, subdivision 10, that satisfy the elective standard for career and technical education. Any balance in the first year does not cancel but is available in the second year.(b) \$115,000 in fiscal year 2018 and \$115,000 in fiscal year 2019 are for grants to postsecondary institutions currently sponsoring a concurrent enrollment course to expand existing programs. The commissioner shall determine the application process and the grant amounts. The commissioner must give preference to expanding programs that are at capacity. Any balance in the first year does not cancel but is available in the second year.(c) By December 1 of each year, the office shall submit a brief report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education regarding:(1) the courses developed by grant recipients and the number of students who enrolled in the courses under paragraph (a); and(2) the programs expanded and the number of students who enrolled in programs under paragraph (b).**Subd. 27. Student Loan Debt Counseling**200,000200,000For student loan debt counseling under Minnesota Statutes, section 136A.1705.

Subd. 28. Campus Sexual Assault Reporting25,00025,000

For the sexual assault reporting required under Minnesota Statutes, section 135A.15.

Subd. 29. Teacher Shortage Loan Forgiveness200,000200,000

(a) For the loan forgiveness program under Minnesota Statutes, section 136A.1791.

(b) The commissioner may use no more than three percent of this appropriation to administer the program under this subdivision.

Subd. 30. Student and Employer Connection Information System405,000405,000

For a grant to the Saint Paul Foundation in accordance with Laws 2016, chapter 189, article 1, section 2, subdivision 5. The foundation must report by January 15 of each year on activities under this subdivision to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance.

Subd. 31. Grants for Students with Intellectual and Developmental Disabilities375,000375,000

For grants for students with intellectual and developmental disabilities under Minnesota Statutes, section 136A.1215.

Subd. 32. Agricultural Educators Loan Forgiveness250,0000

For deposit in the agricultural education loan forgiveness account.

Subd. 33. Loan Repayment Assistance Program50,00050,000

For a grant to the Loan Repayment Assistance Program of Minnesota to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for this work.

Subd. 34. Minnesota Life College1,000,0001,000,000

For a grant to Minnesota Life College for need-based scholarships and tuition reduction.

Subd. 35. Aviation Degree Loan Forgiveness Program50,00050,000

For the aviation degree loan forgiveness program under Minnesota Statutes, section 136A.1789.

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| <u>Subd. 36. Greater Minnesota Loan Forgiveness Program</u> | <u>150,000</u> | <u>150,000</u> |
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For the greater Minnesota loan forgiveness program under Minnesota Statutes, section 136A.1788.

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| <u>Subd. 37. Teacher Candidates of Color Scholarship Program</u> | <u>200,000</u> | <u>200,000</u> |
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For the teacher candidates of color scholarship program under Minnesota Statutes, section 136A.1265.

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| <u>Subd. 38. Agency Administration</u> | <u>2,564,000</u> | <u>2,564,000</u> |
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| <u>Subd. 39. Balances Forward</u> | | |
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A balance in the first year under this section does not cancel, but is available for the second year.

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| <u>Subd. 40. Transfers</u> | | |
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The Minnesota Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, the get ready appropriation, and the public safety officers' survivors appropriation. Transfers from the child care or state work-study appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over higher education finance.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

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| <u>Subdivision 1. Total Appropriation</u> | <u>\$715,237,000</u> | <u>\$724,995,000</u> |
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The amounts that may be spent for each purpose are specified in the following subdivisions.

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| <u>Subd. 2. Central Office and Shared Services Unit</u> | <u>33,074,000</u> | <u>33,074,000</u> |
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For the Office of the Chancellor and the Shared Services Division.

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| <u>Subd. 3. Operations and Maintenance</u> | <u>678,048,000</u> | <u>687,806,000</u> |
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This appropriation includes \$35,071,000 in fiscal year 2018 and \$44,929,000 in fiscal year 2019 for student tuition relief. The Board of Trustees must establish tuition rates as follows:

(1) for the 2017-2018 academic year, the tuition rate at colleges must not exceed the 2016-2017 academic year rate; and

(2) for the 2018-2019 academic year, the tuition rate at universities must not exceed the 2017-2018 academic year rate, and the tuition rate at colleges must be reduced by at least one percent compared to the 2017-2018 academic year rate.

The student tuition relief may not be offset by increases in mandatory fees, charges, or other assessments to the student.

This appropriation includes \$500,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 for a program for students with intellectual and developmental disabilities under Minnesota Statutes, section 136F.38.

Of this amount, \$150,000 in each year is designated for the existing programs for students with intellectual and developmental disabilities at Ridgewater College and Central Lakes College.

This appropriation includes \$5,000,000 in fiscal year 2018 and \$5,000,000 in fiscal year 2019 for upgrading the Integrated Statewide Record System.

This appropriation includes \$1,250,000 in fiscal year 2018 and \$1,250,000 in fiscal year 2019 for workforce development scholarships under Minnesota Statutes, section 136F.38.

\$140,000 each year is for transfer to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. The Cook County Higher Education Board shall continue to provide information to the Board of Trustees on the number of students served, credit hours delivered, and services provided to students.

\$175,000 in fiscal year 2018 and \$175,000 in fiscal year 2019 are for the veterans-to-agriculture pilot program established by Laws 2015, chapter 69, article 1, section 4, subdivision 3. The program shall continue to conform to the requirements of that subdivision. The appropriation shall be used to support, in equal amounts, up to six program sites statewide. No more than two percent of the total appropriation provided by this section may be used for administrative purposes at the system level.

No later than December 15, 2018, the program shall report to the committees of the house of representatives and the senate with jurisdiction over issues related to agriculture, veterans affairs, and higher education on program operations, including information on participation rates, new job placements, and any unmet needs.

\$100,000 in fiscal year 2018 is for use by Winona State University for HealthForce Minnesota to develop educational materials that increase awareness of career opportunities available in the field of senior care. The educational materials developed under this provision must be appropriate for students in K-12 education settings, dislocated workers, and rural communities. Materials must be developed in collaboration with employers and trade organizations representing employers in the field of senior care.

Winona State University shall submit a report by February 1, 2019, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy. The report must include information about the materials developed, to whom materials were distributed, and identify any collaborations with employers and trade organizations.

Five percent of the fiscal year 2019 appropriation specified in this subdivision is available according to the schedule in clauses (1) to (5) in fiscal year 2019 when the Board of Trustees of the Minnesota State Colleges and Universities demonstrates to the commissioner of management and budget that the board has met the following specified number of performance goals:

- (1) 100 percent if the board meets three, four, or five goals;
- (2) 67 percent if two of the goals are met;
- (3) 33 percent if one of the goals are met; and
- (4) zero percent if none of the goals are met.

The performance goals are:

- (1) increase by at least four percent in fiscal year 2017, compared to fiscal year 2010, degrees, diplomas, and certificates conferred and provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on the separate changes in the number of degrees, diplomas, and certificates conferred;
- (2) increase by at least five percent the fiscal year 2017-related employment rate for 2016 graduates, compared to the 2013 rate for 2012 graduates;
- (3) for fiscal year 2018, reallocate \$22,000,000 of costs. The Board of Trustees is requested to redirect those funds to invest in direct mission activities, stem growth in tuition and student fees, and to programs that benefit students;
- (4) decrease by at least ten percent the fiscal year 2017 headcount of students enrolled in developmental courses compared to fiscal year 2015 headcount of students enrolled in developmental courses; and

(5) increase by at least five percent the fiscal year 2017 degrees awarded to students who took no more than 128 credits for a baccalaureate degree and 68 credits for associate in arts, associate of science, or associate in fine arts degrees, as compared to the rate for 2013 graduates.

By August 1, 2017, the Board of Trustees and the Minnesota Office of Higher Education must agree on specific numerical indicators and definitions for each of the five goals that will be used to demonstrate the Minnesota State Colleges and Universities' attainment of each goal. On or before April 1, 2018, the Board of Trustees must report to the legislative committees with primary jurisdiction over higher education finance and policy the progress of the Minnesota State Colleges and Universities toward attaining the goals. The appropriation base for the next biennium shall include appropriations not made available under this subdivision for failure to meet performance goals. All of the appropriation that is not available due to failure to meet performance goals is appropriated to the commissioner of the Office of Higher Education for fiscal year 2019 for the purpose of the state grant program under Minnesota Statutes, section 136A.121.

Performance metrics are intended to facilitate progress toward the attainment goal under Minnesota Statutes, section 135A.012.

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| <u>Subd. 4. Learning Network of Minnesota</u> | <u>4,115,000</u> | <u>4,115,000</u> |
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Sec. 4. **BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA**

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| <u>Subdivision 1. Total Appropriation</u> | <u>\$638,556,000</u> | <u>\$640,556,000</u> |
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Appropriations by Fund

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|---------------------------|--------------------|--------------------|
| <u>General</u> | <u>636,399,000</u> | <u>638,399,000</u> |
| <u>Health Care Access</u> | <u>2,157,000</u> | <u>2,157,000</u> |

The amounts that may be spent for each purpose are specified in the following subdivisions.

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| <u>Subd. 2. Operations and Maintenance</u> | <u>567,961,000</u> | <u>569,961,000</u> |
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This appropriation includes funding for operation and maintenance of the system. Of the amount appropriated in this subdivision:

\$6,800,000 in fiscal year 2018 and \$8,800,000 in fiscal year 2019 are for health training restoration. This appropriation must be used to support all of the following:

(1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine;

(2) the Mobile Dental Clinic; and

(3) expansion of geriatric education and family programs.

\$1,000,000 in fiscal year 2018 and \$1,000,000 in fiscal year 2019 are for the Minnesota Discovery, Research, and Innovation Economy program. This appropriation is to advance research strengths to fight cancer, strengthen communities, improve water quality, and advance data.

\$300,000 in fiscal year 2018 and \$300,000 in fiscal year 2019 are for a program for students with intellectual and developmental disabilities under Minnesota Statutes, section 137.45.

\$750,000 in fiscal year 2018 and \$750,000 in fiscal year 2019 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

Five percent of the fiscal year 2019 appropriation specified in this subdivision is available according to the schedule in clauses (1) to (5) in fiscal year 2019 when the Board of Regents of the University of Minnesota demonstrates to the commissioner of management and budget that the board has met the following specified number of performance goals:

(1) 100 percent if the board meets three, four, or five goals;

(2) 67 percent if two of the goals are met;

(3) 33 percent if one of the goals are met; and

(4) zero percent if none of the goals are met.

The performance goals are:

(1) increase by at least one percent the four-year, five-year, or six-year undergraduate graduation rates, averaged over three years, for students of color systemwide at the University of Minnesota reported in fall 2018 over fall 2016. The average rate for fall 2016 is calculated with the graduation rates reported in fall 2014, 2015, and 2016;

(2) increase by at least two percent the total number of undergraduate STEM degrees, averaged over three years, conferred systemwide by the University of Minnesota reported in fiscal year 2018 over fiscal year 2016. The averaged number for fiscal year 2016 is calculated with the fiscal year 2014, 2015, and 2016 numbers;

(3) increase by at least one percent the four-year undergraduate graduation rate at the University of Minnesota reported in fall 2018 over fall 2016. The average rate for fall 2016 is calculated with the graduation rates reported in fall 2014, 2015, and 2016. The averaged number for fiscal year 2016 is calculated with the fiscal year 2014, 2015, and 2016 numbers;

(4) for fiscal year 2018, reallocate \$15,000,000 of administrative costs. The Board of Regents is requested to redirect those funds to invest in direct mission activities, stem growth in cost of attendance, and to programs that benefit students; and

(5) increase licensing disclosures by three percent for fiscal year 2018 over fiscal year 2017.

By August 1, 2017, the Board of Regents and the Office of Higher Education must agree on specific numerical indicators and definitions for each of the five goals that will be used to demonstrate the University of Minnesota's attainment of each goal. On or before April 1, 2018, the Board of Regents must report to the legislative committees with primary jurisdiction over higher education finance and policy the progress of the University of Minnesota toward attaining the goals. The appropriation base for the next biennium shall include appropriations not made available under this subdivision for failure to meet performance goals. All of the appropriation that is not available due to failure to meet performance goals is appropriated to the commissioner of the Office of Higher Education for fiscal year 2019 for the purpose of the state grant program under Minnesota Statutes, section 136A.121.

Performance metrics are intended to facilitate progress toward the attainment goal under Minnesota Statutes, section 135A.012.

Subd. 3. Primary Care Education Initiatives

2,157,000

2,157,000

This appropriation is from the health care access fund.

Subd. 4. Special Appropriations

(a) Agriculture and Extension Service

42,922,000

42,922,000

For the Agricultural Experiment Station and the Minnesota Extension Service:

(1) the agricultural experiment stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;

(2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers, renewable energy, and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

(3) this appropriation includes funding for the College of Food, Agricultural, and Natural Resources Sciences to establish and provide leadership for organic agronomic, horticultural, livestock, and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;

(4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:

(i) vegetable crop research with priority for extending the Minnesota vegetable growing season;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2019, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this paragraph.

(b) Health Sciences

9,204,000

9,204,000

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

(c) Institute of Technology

1,140,000

1,140,000

For the geological survey and the talented youth mathematics program.

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| (d) <u>System Special</u> | <u>7,181,000</u> | <u>7,181,000</u> |
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For general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.

Of this amount, \$2,000,000 in fiscal year 2018 and \$2,000,000 in fiscal year 2019 are for the Natural Resources Research Institute to invest in applied research for economic development.

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| (e) <u>University of Minnesota and Mayo Foundation Partnership</u> | <u>7,991,000</u> | <u>7,991,000</u> |
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This appropriation is for the following activities:

(1) \$7,491,000 in fiscal year 2018 and \$7,491,000 in fiscal year 2019 are for the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the legislative committee responsible for higher education finance by June 30 of each fiscal year.

(2) \$500,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are to award competitive grants to conduct research into the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

Subd. 5. Academic Health Center

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is estimated to be \$22,250,000 each year.

Sec. 5. MAYO CLINIC

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| Subdivision 1. <u>Total Appropriation</u> | <u>\$1,351,000</u> | <u>\$1,351,000</u> |
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The amounts that may be spent are specified in the following subdivisions.

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| Subd. 2. <u>Medical School</u> | <u>665,000</u> | <u>665,000</u> |
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The state must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between each year of the biennium to accommodate enrollment fluctuations. It is intended that during the biennium the Mayo Clinic use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

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| Subd. 3. <u>Family Practice and Graduate Residency Program</u> | <u>686,000</u> | <u>686,000</u> |
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The state must pay stipend support for up to 27 residents each year.

ARTICLE 2
PUBLIC POSTSECONDARY EDUCATION

Section 1. Minnesota Statutes 2016, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The commissioner shall perform the duties assigned to the commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

(b) The commissioner shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

(c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise the powers under this section for employees included in the units provided in clauses (9), (10), and (11) of section 179A.10, subdivision 2, except with respect to sections 43A.22 to 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner shall have the right to review and comment to the Minnesota State Colleges and Universities on the board's final proposals prior to exchange of final positions with the designated bargaining units as well as any requests for interest arbitration. The legislature encourages the Board of Trustees, in coordination with the commissioner of management and budget and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining negotiations to seek fiscal balance recognizing the ability of the employer to fund the agreements or awards. When submitting a proposed collective bargaining agreement to the Legislative Coordinating Commission and the legislature under section 3.855, subdivision 2, the Board of Trustees must use procedures and assumptions consistent with those used by the commissioner in calculating the costs of the proposed contract. The Legislative Coordinating Commission must, when considering a collective bargaining agreement or arbitration award submitted by the Board of Trustees, evaluate market conditions affecting the employees in the bargaining unit, equity with other bargaining units in the executive branch, and the ability of the trustees and the state to fund the agreement or award.

Sec. 2. Minnesota Statutes 2016, section 135A.031, subdivision 7, is amended to read:

Subd. 7. **Reports.** (a) The University of Minnesota and the Minnesota State Colleges and Universities systems shall include in their biennial budget proposals to the legislature:

(1) a five-year history of systemwide expenditures, reported by:

(i) functional areas, including instruction, research, public service, student financial aid, and auxiliary services, and including direct costs and indirect costs, such as institutional support, academic support, student services, and facilities management, associated with each functional area; and

(ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;

(2) a five-year history of the system's total instructional expenditures per full-year equivalent student, by level of instruction, including upper-division undergraduate, lower-division undergraduate, graduate, professional, and other categories of instructional programs offered by the system;

(3) a five-year history of the system's total revenues by funding source, including tuition, state operations and maintenance appropriations, state special appropriations, other restricted state funds, federal appropriations, sponsored research funds, gifts, auxiliary revenue, indirect cost recovery, and any other revenue sources;

(4) an explanation describing how state appropriations made to the system in the previous biennium were allocated and the methodology used to determine the allocation;

(5) data describing how the institution reallocated resources to advance the priorities set forth in the budget submitted under section 135A.034 and the statewide objectives under section 135A.011. The information must indicate whether instruction and support programs received a reduction in or additional resources. The total amount reallocated must be clearly explained;

(6) the tuition rates and fees established by the governing board in each of the past ten years and comparison data for peer institutions and national averages;

(7) data on the number and proportion of students graduating within four, five, and six years from universities and within three years from colleges as reported in the integrated postsecondary education data system. These data must be provided for each institution by race, ethnicity, and gender. Data and information must be submitted that describe the system's plan and progress toward attaining the goals set forth in the plan to increase the number and proportion of students that graduate within four, five, or six years from a university or within three years from a college;

(8) data on, and the methodology used to measure, the number of students traditionally underrepresented in higher education enrolled at the system's institutions. Data and information must be submitted that describe the system's plan and progress toward attaining the goals set forth in the plan to increase the recruitment, retention, and timely graduation of students traditionally underrepresented in higher education; ~~and~~

(9) data on the revenue received from all sources to support research or workforce development activities or the system's efforts to license, sell, or otherwise market products, ideas, technology, and related inventions created in whole or in part by the system. Data and information must be submitted that describe the system's plan and progress toward attaining the goals set forth in the plan to increase the revenue received to support research or workforce development activities or revenue received from the licensing, sale, or other marketing and technology transfer activities by the system; and

(10) data on work completed by any consultant who is not an employee of the system for which the system paid in excess of \$500,000. Data must include the name of the consultant, the total cost incurred, a description of the work completed, and a description of the reasons for using an outside consultant and not internal staff.

(b) Data required by this subdivision shall be submitted by the public postsecondary systems to the Minnesota Office of Higher Education and the Department of Management and Budget and included in the biennial budget document. Representatives from each system, in consultation with the commissioner of management and budget and the commissioner of the Office of Higher Education, shall develop consistent reporting practices for this purpose.

(c) To the extent practicable, each system shall develop the ability to respond to legislative requests for financial analyses that are more detailed than those required by this subdivision, including but not limited to analyses that show expenditures or revenues by institution or program, or in multiple categories of expenditures or revenues, and analyses that show revenue sources for particular types of expenditures.

Sec. 3. [135A.0432] AUTOMATIC ADMISSION.

Subdivision 1. Automatic admission. Each Minnesota public postsecondary institution must admit an applicant to the institution as an undergraduate student in a baccalaureate program if:

(1) the applicant graduated with a grade point average in the top ten percent of the applicant's high school graduating class;

(2) the applicant graduated from high school in one of the two years preceding the academic year for which the applicant is applying for admission;

(3) the applicant graduated from a public or private Minnesota high school; and

(4) the applicant was a resident of Minnesota for at least the past two years of the applicant's period of attendance at the Minnesota high school.

Subd. 2. Applicant qualification. To qualify for admission under subdivision 1 of this section, the applicant must:

(1) submit an application before the expiration of the application filing deadline established by the institution; and

(2) provide a high school transcript or diploma that satisfies the requirements of subdivision 1 of this section.

Subd. 3. Other admissions. A graduating student who does not qualify for automatic admission under subdivision 1 of this section may apply to any Minnesota public postsecondary institution. The institution, after admitting students under subdivision 1, may admit other applications for admission pursuant to the institution's standard admission policies.

Subd. 4. Scholarship dollars. The average amount of scholarship dollars per student received by out-of-state students may not exceed the average amount of scholarship dollars per student received by students admitted under this section.

Subd. 5. University of Minnesota. The Board of Regents of the University of Minnesota is requested to adopt a policy implementing this section.

Subd. 6. Reporting requirement. By January 15 of each year, both the Board of Trustees of the Minnesota State College and Universities and the Board of Regents of the University of Minnesota must submit a report on automatic admissions to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over higher education finance and policy. The report must describe, in summary form, the students admitted under subdivision 1 of this section including, but not limited to, information regarding:

(1) admission and matriculation;

(2) retention;

(3) academic performance;

(4) program outcomes; and

(5) demographic information including race, ethnicity, economic status, and geographic distribution.

EFFECTIVE DATE. This section is effective beginning in the 2018-2019 academic year.

Sec. 4. [135A.0434] MANDATORY STUDENT ACTIVITY FEES PROHIBITED.

Subdivision 1. Mandatory fee prohibition. (a) The governing board of a public postsecondary institution must not impose on students any mandatory fee funding noninstructional student programs, activities, groups, or services.

(b) This section does not prohibit mandatory fees paid by students that are directly related to academic, administrative, or health services.

(c) The Board of Regents of the University of Minnesota is requested to adopt a policy implementing this section.

Subd. 2. **Penalty.** If the Board of Regents of the University of Minnesota imposes a mandatory fee in violation of this section, the commissioner of management and budget must deduct an amount equal to the net revenue generated by that fee from the university's appropriation base in the first year of the next biennium.

Sec. 5. **[135A.158] INFORMATION PROVIDED TO STUDENT PARENTS AND PREGNANT STUDENTS.**

A public or regionally accredited private postsecondary educational institution must provide information according to this section to students who are parents of one or more children age 12 or younger, and to students who notify the institution that they are pregnant. The information must include a fact sheet on the legal rights of student parents and pregnant students and a list of resources to support student parents and pregnant students. The list of resources may include resources for prenatal care, child care, transportation, and housing. This information must be available in languages that reflect the primary languages of the institution's student body.

Sec. 6. **[136F.38] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES.**

Subdivision 1. **Program required.** The Board of Trustees of the Minnesota State Colleges and Universities must offer an academic program for students with intellectual and developmental disabilities, consistent with subdivisions 2 to 4.

Subd. 2. **Program locations.** The program must be offered at no fewer than two college or university campuses. The board must choose the campuses based on:

- (1) the ability to offer a robust program using existing facilities and resources; and
- (2) a goal to provide the program in diverse geographic regions of the state.

Subd. 3. **Enrollment and admission.** A campus offering a program must establish an enrollment goal of at least 15 incoming students per academic year. The board must establish an application process for the program. A student who successfully completes the program must be awarded a certificate, diploma, or other appropriate academic credential.

Subd. 4. **Curriculum and activities.** (a) The program must provide an inclusive, full-time, two-year residential college experience for students with intellectual and developmental disabilities. The curriculum must include:

- (1) core courses that develop life skills, financial literacy, and the ability to live independently;
- (2) rigorous academic work in a student's chosen field of study; and
- (3) an internship, apprenticeship, or other skills-based experience to prepare for meaningful employment upon completion of the program.

(b) In addition to academic requirements, the program must allow participating students the opportunity to engage fully in campus life. Program activities must include, but are not limited to:

- (1) the establishment of on-campus mentoring and peer support communities; and

(2) opportunities for personal growth through leadership development and other community engagement activities.

(c) A participating campus may tailor its program curriculum and activities to highlight academic programs, student and community life experiences, and employment opportunities unique to that campus or the region of the state where the campus is located.

Subd. 5. **Reporting.** By January 15 of each year, the board must submit a report on the program to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over higher education finance and policy. The report must include, but need not be limited to, information regarding:

(1) the number of students participating in the program;

(2) program goals and outcomes; and

(3) the success rate of participants.

EFFECTIVE DATE. This section is effective for the 2018-2019 academic year and later.

Sec. 7. **[136F.38] WORKFORCE DEVELOPMENT SCHOLARSHIPS.**

Subdivision 1. **Program established.** The board shall develop a scholarship program to incentivize new students to enter high-demand occupations upon graduation.

Subd. 2. **Scholarship awards.** The program shall award scholarships at the beginning of an academic term, in the amount of \$2,500, to be distributed evenly between two terms.

Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible for resident tuition, as defined in section 135A.043, who is enrolled in any of the following programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health care services; or (4) information technology.

(b) The student must be enrolled for at least nine credits at a two-year college in the Minnesota State Colleges and Universities system.

Subd. 4. **Renewal; cap.** A student who has received a scholarship may apply again but total lifetime awards are not to exceed \$5,000 per student. Students may only be awarded a second scholarship upon completion of two academic terms.

Subd. 5. **Administration.** (a) The board shall establish an application process and other guidelines for implementing this program.

(b) The board shall give preference to students in financial need.

Subd. 6. **Report required.** The board must submit an annual report by February 1 of each year about the scholarship awards to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over higher education finance and policy. The first report is due no later than February 1, 2019. The annual report shall describe the following:

(1) the number of students receiving a scholarship at each two-year college during the previous fiscal year;

(2) the number of scholarships awarded for each program of study or certification described in subdivision 3, paragraph (a);

(3) the number of scholarship recipients who completed a program of study or certification described in subdivision 3, paragraph (a);

(4) the number of scholarship recipients who secured employment by their graduation date and those who secured employment within three months of their graduation date;

(5) a list of occupations scholarship recipients are entering; and

(6) the number of students who were denied a scholarship.

Sec. 8. [137.45] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES.

The Board of Regents of the University of Minnesota is requested to offer an academic program for students with intellectual and developmental disabilities, consistent with the requirements of section 136F.38, subdivisions 2 to 5.

EFFECTIVE DATE. This section is effective for the 2018-2019 academic year and later.

Sec. 9. Minnesota Statutes 2016, section 148.89, subdivision 5, is amended to read:

Subd. 5. **Practice of psychology.** "Practice of psychology" means the observation, description, evaluation, interpretation, or modification of human behavior by the application of psychological principles, methods, or procedures for any reason, including to prevent, eliminate, or manage symptomatic, maladaptive, or undesired behavior and to enhance interpersonal relationships, work, life and developmental adjustment, personal and organizational effectiveness, behavioral health, and mental health. The practice of psychology includes, but is not limited to, the following services, regardless of whether the provider receives payment for the services:

(1) psychological research and teaching of psychology subject to the exemptions in section 148.9075;

(2) assessment, including psychological testing and other means of evaluating personal characteristics such as intelligence, personality, abilities, interests, aptitudes, and neuropsychological functioning;

(3) a psychological report, whether written or oral, including testimony of a provider as an expert witness, concerning the characteristics of an individual or entity;

(4) psychotherapy, including but not limited to, categories such as behavioral, cognitive, emotive, systems, psychophysiological, or insight-oriented therapies; counseling; hypnosis; and diagnosis and treatment of:

(i) mental and emotional disorder or disability;

(ii) alcohol and substance dependence or abuse;

(iii) disorders of habit or conduct;

(iv) the psychological aspects of physical illness or condition, accident, injury, or disability, including the psychological impact of medications;

(v) life adjustment issues, including work-related and bereavement issues; and

- (vi) child, family, or relationship issues;
- (5) psychoeducational services and treatment; and
- (6) consultation and supervision.

Sec. 10. **[148.9075] LICENSURE EXEMPTIONS.**

Subdivision 1. **Teaching and research.** Nothing in sections 148.88 to 148.98 shall be construed to prevent a person employed in a secondary, postsecondary, or graduate institution from teaching and conducting research in psychology within an educational institution that is recognized by a regional accrediting organization or by a federal, state, county, or local government institution, agency, or research facility, so long as:

- (1) the institution, agency, or facility provides appropriate oversight mechanisms to ensure public protections; and
- (2) the person is not providing direct clinical services to a client or clients as defined in sections 148.88 to 148.98.

Subd. 2. **Students.** Nothing in sections 148.88 to 148.98 shall prohibit the practice of psychology under qualified supervision by practicum psychology students, predoctoral psychology interns, or an individual who has earned a doctoral degree in psychology and is in the process of completing their postdoctoral supervised psychological employment.

ARTICLE 3
OFFICE OF HIGHER EDUCATION

Section 1. **[136A.055] DEVELOPMENTAL EDUCATION REPORTING.**

(a) The commissioner must report on the department's Web site the following summary data on students who graduated from a Minnesota high school and are attending a public postsecondary institution in Minnesota:

- (1) the number of students placed in supplemental or developmental education;
- (2) the number of students who complete supplemental or developmental education within one academic year;
- (3) the number of students that complete gateway courses in one academic year; and
- (4) time to complete a degree or certificate at a postsecondary institution.

(b) Summary data must be aggregated by school district, high school, and postsecondary institution. Summary data must be disaggregated by race, ethnicity, free or reduced-price lunch eligibility, and age.

(c) The commissioner must post the initial data on the department's Web site on or before October 1, 2017, and must update the data at least annually thereafter.

Sec. 2. Minnesota Statutes 2016, section 136A.101, subdivision 5a, is amended to read:

Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is ~~94~~ 85 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is ~~86~~ 77 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is ~~50~~ 41 percent of the student contribution.

Sec. 3. **[136A.1215] GRANTS FOR STUDENTS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES.**

Subdivision 1. **Establishment.** A program is established to provide financial assistance to students with intellectual and developmental disabilities that attend a Minnesota postsecondary institution.

Subd. 2. **Eligible students.** A postsecondary student is eligible for a grant under this section if the student:

(1) meets the eligibility requirements in section 136A.121, subdivision 2;

(2) is a student with an intellectual disability, as defined in Code of Federal Regulations, title 34, section 668.231, and is enrolled in a comprehensive transition and postsecondary program under that section; and

(3) attends an eligible institution, as defined in section 136A.101, subdivision 4.

Subd. 3. **Application.** To receive a grant under this section, a student must apply in the form and manner specified by the commissioner.

Subd. 4. **Grant amounts.** (a) The amount of a grant under this section equals the tuition and fees at the student's postsecondary institution, minus:

(1) any Pell or state grants the student receives; and

(2) any institutional aid the student receives.

(b) If appropriations are insufficient to provide the full amount calculated under paragraph (a) to all eligible applicants, the commissioner must reduce the grants of all recipients proportionally.

Subd. 5. **Reporting.** By February 15 of each year, the commissioner of higher education must submit a report on the details of the program under this section to the legislative committees with jurisdiction over higher education finance and policy. The report must include the following information, broken out by postsecondary institution:

(1) the number of students receiving an award;

(2) the average and total award amounts; and

(3) summary demographic data on award recipients.

Sec. 4. Minnesota Statutes 2016, section 136A.125, subdivision 2, is amended to read:

Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if the applicant:

(1) is a resident of the state of Minnesota or the applicant's spouse is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;

(4) either has not earned a baccalaureate degree and has been enrolled full time less than ~~eight~~ ten semesters or the equivalent, or has earned a baccalaureate degree and has been enrolled full time less than ~~eight~~ ten semesters or the equivalent in a graduate or professional degree program;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate, graduate, or professional degree, diploma, or certificate;

(6) is enrolled in at least six credits in an undergraduate program or one credit in a graduate or professional program in an eligible institution; and

(7) is in good academic standing and making satisfactory academic progress.

(b) A student who withdraws from enrollment for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return.

Sec. 5. Minnesota Statutes 2016, section 136A.125, subdivision 4, is amended to read:

Subd. 4. **Amount and length of grants.** (a) The amount of a child care grant must be based on:

(1) the income of the applicant and the applicant's spouse;

(2) the number in the applicant's family, as defined by the office; and

(3) the number of eligible children in the applicant's family.

(b) The maximum award to the applicant shall be ~~\$2,800~~ \$3,000 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community. The office shall develop policies to determine community market costs and review institutional requests for compensatory grant increases to ensure need and equal treatment. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

(c) Applicants with family incomes at or below a percentage of the federal poverty level, as determined by the commissioner, will qualify for the maximum award. The commissioner shall attempt to set the percentage at a level estimated to fully expend the available appropriation for child care grants. Applicants with family incomes exceeding that threshold will receive the maximum award minus ten percent of their income exceeding that threshold. If the result is less than zero, the grant is zero.

(d) The academic year award amount must be disbursed by academic term using the following formula:

(1) the academic year amount described in paragraph (b);

(2) divided by the number of terms in the academic year;

(3) divided by 15 for undergraduate students and six for graduate and professional students; and

(4) multiplied by the number of credits for which the student is enrolled that academic term, up to 15 credits for undergraduate students and six for graduate and professional students.

(e) Payments shall be made each academic term to the student or to the child care provider, as determined by the institution. Institutions may make payments more than once within the academic term.

Sec. 6. **[136A.1265] TEACHER CANDIDATES OF COLOR SCHOLARSHIPS.**

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Full-time study" means:

(1) for an undergraduate student, enrollment in at least 15 credits or the equivalent; and

(2) for a graduate student, enrollment in a number of credits that the student's institution deems to be full time.

(c) "Part-time study" means enrollment in fewer credits than are required to qualify as full time under paragraph (b).

(d) "Underrepresented racial or ethnic group" means a racial or ethnic group for which the commissioner of education has determined that the percentage of Minnesota teachers of the group, as measured under section 127A.05, subdivision 6, is lower than the percentage of Minnesota students of the group as measured under section 120B.35, subdivision 3.

Subd. 2. Establishment. A scholarship program for teacher candidates of color is established to provide scholarships to qualified candidates with financial needs.

Subd. 3. Eligibility. A person may apply for a scholarship if the person:

(1) has been admitted to a teacher preparation program approved by the Board of Teaching at an eligible institution located in Minnesota;

(2) self-identifies to the teacher preparation program as a member of an underrepresented racial or ethnic group;

(3) is making satisfactory academic progress;

(4) is a resident student; and

(5) has a family adjusted gross income of \$125,000 or less.

Subd. 4. Amount. (a) The commissioner must establish scholarship amounts based upon the financial need of eligible students. The commissioner must set scholarship amounts at a level estimated to fully expend appropriations available for the program. Established amounts are not rulemaking for purposes of chapter 14 or section 14.386.

(b) A scholarship under this section must not exceed:

(1) \$10,000 per year; or

(2) a student's cost of attendance minus the student's expected family contribution, as determined by the federal need analysis.

(c) The minimum scholarship under this section is \$1,000 per year.

(d) The amounts determined under paragraphs (a), (b), and (c) are for full-time study. The amounts must be reduced and prorated per credit for part-time study.

(e) The maximum total amount of scholarships from this scholarship per candidate is \$25,000.

Subd. 5. **Application.** To apply for a scholarship, an eligible institution must submit an application to the commissioner on behalf of an eligible student. The application must be made in a form and manner specified by the commissioner, and must include a candidate's name, self-identified racial and ethnic identity, gender, licensure area sought, and full-time or part-time status.

Subd. 6. **Distribution.** The commissioner must distribute scholarship funds to eligible institutions on behalf of scholarship recipients. Institutions must distribute funds directly to students.

Sec. 7. [136A.1705] STUDENT LOAN DEBT COUNSELING.

Subdivision 1. **Grant.** A program is established under the Office of Higher Education to provide a grant to a Minnesota-based nonprofit qualified debt counseling organization to provide individual student loan debt repayment counseling to borrowers who are Minnesota residents concerning loans obtained to attend a postsecondary institution. The number of individuals receiving counseling may be limited to those capable of being served with available appropriations for that purpose. A goal of the counseling program is to provide two counseling sessions to at least 75 percent of borrowers receiving counseling.

The purpose of the counseling is to assist borrowers to:

- (1) understand their loan and repayment options;
- (2) manage loan repayment; and
- (3) develop a workable budget based on the borrower's full financial situation regarding income, expenses, and other debt.

Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling organization is an organization that:

- (1) has experience in providing individualized student loan counseling;
- (2) employs certified financial loan counselors; and
- (3) is based in Minnesota and has offices at multiple rural and metropolitan area locations in the state to provide in-person counseling.

Subd. 3. **Grant application and award.** (a) Applications for a grant shall be on a form created by the commissioner and on a schedule set by the commissioner. Among other provisions, the application must include a description of:

- (1) the characteristics of borrowers to be served;
- (2) the services to be provided and a timeline for implementation of the services;
- (3) how the services provided will help borrowers manage loan repayment;

(4) specific program outcome goals and performance measures for each goal; and

(5) how the services will be evaluated to determine whether the program goals were met.

(b) The commissioner shall select one grant recipient for a two-year award every two years. A grant may be renewed biennially.

Subd. 4. **Program evaluation.** (a) The grant recipient must submit a report to the commissioner by January 15 of the second year of the grant award. The report must evaluate and measure the extent to which program outcome goals have been met.

(b) The grant recipient must collect, analyze, and report on participation and outcome data that enable the office to verify the outcomes.

(c) The evaluation must include information on the number of borrowers served with on-time student loan payments, the numbers who brought their loans into good standing, the number of student loan defaults, the number who developed a monthly budget plan, and other information required by the commissioner. Recipients of the counseling must be surveyed on their opinions about the usefulness of the counseling and the survey results must be included in the report.

Subd. 5. **Report to legislature.** By February 1 of the second year of each grant award, the commissioner must submit a report to the committees in the legislature with jurisdiction over higher education finance regarding grant program outcomes.

Sec. 8. **[136A.1788] GREATER MINNESOTA LOAN FORGIVENESS PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Greater Minnesota" means the geographic areas in Minnesota located outside of the metropolitan area as defined in section 473.121, subdivision 2.

(c) "Debt-to-income ratio" means an applicant's monthly student loan payment obligation under a ten-year standard repayment plan, divided by the applicant's monthly gross income.

(d) "Qualifying educational institution" means an institution of higher education that had in effect at the time of an applicant's attendance a program participation agreement under United States Code, title 20, chapter 28, subchapter IV, part F, section 1094.

(e) "Qualifying position" means a position as an employee, as defined in section 181.723, subdivision 3, for which the primary work site is located in greater Minnesota.

(f) "Qualifying student loan" means a government, commercial, or foundation loan for actual costs paid for tuition and reasonable educational and living expenses related to attending a qualifying educational institution.

(g) "Working full time" means working an average of at least 30 hours per week.

Subd. 2. **Program established.** (a) The commissioner must establish a greater Minnesota loan forgiveness program for individuals who work in a qualifying position.

(b) Appropriations to the program do not cancel and are available until expended.

Subd. 3. **Eligibility.** (a) To be eligible to receive loan forgiveness under this section, an applicant must:

(1) be a Minnesota resident;

(2) have a qualifying student loan balance;

(3) have earned a degree, diploma, or certificate from a qualifying educational institution;

(4) have worked full time for a 12-month period in one or more qualifying positions; and

(5) have a debt-to-income ratio of at least 0.10.

(b) An eligible applicant may receive one loan forgiveness award of the amount specified in this section for each 12-month period that the applicant works for a qualifying employer. An individual may receive a loan forgiveness award under this section no more than five times.

Subd. 4. **Application.** (a) To be considered for a loan forgiveness award, an applicant must apply in a form and manner specified by the commissioner.

(b) An applicant must reapply to the commissioner each year that the applicant wishes to receive an award. The application must include proof that the participant has worked full time for a 12-month period for one or more qualifying employers.

Subd. 5. **Prioritization of applicants.** If appropriations for the program under this section are insufficient to provide a loan forgiveness award to each eligible applicant, the commissioner must preferentially award loan forgiveness to applicants:

(1) with a qualifying student loan balance of at least \$5,000; and

(2) working in occupations that do not qualify for other state or federal loan forgiveness programs that are limited to particular occupations.

Subd. 6. **Amount of forgiveness.** (a) The commissioner must provide a loan forgiveness award to an eligible applicant on a funds available basis, as provided in this section.

(b) For each year of qualifying full-time work a participant completes, the participant is eligible for a loan forgiveness award equal to the lesser of:

(1) \$3,000;

(2) ten percent of the remaining balance of a participant's qualifying student loans the first year a participant received an award under this section; or

(3) the remaining balance of a participant's qualifying student loans.

Subd. 7. **Disbursement.** The commissioner must disburse an award under this section directly to the participant's student loan servicer or servicers.

Subd. 8. **Fund established.** A greater Minnesota loan forgiveness fund is created for depositing money appropriated to or received by the commissioner for the program. Money deposited in the fund shall not revert to any state fund at the end of any fiscal year but remains in the fund and is continuously available for loan forgiveness under this section.

Subd. 9. **Reporting.** By February 1 of each year, the commissioner must annually report to the legislative committees with jurisdiction over higher education and economic development on the results of the program in the previous year. At a minimum, the report must include data on:

- (1) the number of applicants;
- (2) the highest degree obtained by applicants;
- (3) the industries in which applicants worked;
- (4) the counties in which applicants worked and resided;
- (5) the average student loan balance of applicants;
- (6) the mean and median loan forgiveness award;
- (7) the total amount of debt forgiven under the program;
- (8) the mean and median income of applicants;
- (9) the mean debt-to-income ratio of applicants; and
- (10) the number of greater Minnesota loan forgiveness awards that award recipients received previously.

Sec. 9. [136A.1789] AVIATION DEGREE LOAN FORGIVENESS PROGRAM.

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given them.

(b) "Qualified aircraft technician" means an individual who (1) has earned an associate's or bachelor's degree from a postsecondary institution located in Minnesota, and (2) has obtained an aviation mechanic's certificate from the Federal Aviation Administration.

(c) "Qualified education loan" means a government, commercial, or foundation loan used by an individual for actual costs paid for tuition to a postsecondary institution located in Minnesota for a professional flight training degree.

(d) "Qualified pilot" means an individual who (1) has earned an associate's or bachelor's degree in professional flight training from a postsecondary institution located in Minnesota, and (2) is in the process of obtaining or has obtained an airline transport pilot certificate.

Subd. 2. **Creation of account.** (a) An aviation degree loan forgiveness program account is established to provide qualified pilots and qualified aircraft technicians with financial assistance in repaying qualified education loans. The commissioner must use money from the account to establish and administer the aviation degree loan forgiveness program.

(b) Appropriations made to the aviation degree loan forgiveness program account do not cancel and are available until expended.

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program under this section, an individual must:

- (1) be a qualified pilot or qualified aircraft technician;
- (2) have qualified education loans;
- (3) reside in Minnesota; and
- (4) submit an application to the commissioner in the form and manner prescribed by the commissioner.

(b) An applicant selected to participate must sign a contract to agree to serve a minimum one-year full-time service obligation according to subdivision 4. To complete the service obligation, the applicant must work full time in Minnesota as a qualified pilot or qualified aircraft technician. A participant must complete one year of service under this paragraph for each year the participant receives an award under this section.

Subd. 4. **Service obligation.** (a) Before receiving loan repayment disbursements and as requested, a participant must verify to the commissioner that the participant is employed in a position that fulfills the service obligation as required under subdivision 3, paragraph (b).

(b) If a participant does not fulfill the required service obligation, the commissioner must collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The commissioner must deposit the money collected in the aviation degree loan forgiveness account. The commissioner must allow waivers of all or part of the money owed the commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the minimum service commitment.

Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each year for participation in the aviation degree loan forgiveness program, within the limits of available funding. Applicants are responsible for securing their own qualified education loans.

(b) For each year that the participant meets the eligibility requirements under subdivision 3, the commissioner must make annual disbursements directly to:

(1) a selected qualified pilot of \$5,000 or the balance of the participant's qualified education loans, whichever is less; and

(2) a selected qualified aircraft technician of \$3,000 or the balance of the participant's qualified education loans, whichever is less.

(c) An individual may receive disbursements under this section for a maximum of five years.

(d) The participant must provide the commissioner with verification that the full amount of the loan repayment disbursement received by the participant has been applied toward the designated qualified education loan. After each disbursement, verification must be received by the commissioner and approved before the next repayment disbursement is made.

(e) If the participant receives a disbursement in the participant's fifth year of eligibility, the participant must provide the commissioner with verification that the full amount of the participant's final loan repayment disbursement was applied toward the designated qualified education loan. If a participant does not provide the verification as required under this paragraph within six months of receipt of the final disbursement, the commissioner must collect from the participant the amount of the final disbursement. The commissioner must deposit the money collected in the aviation degree loan forgiveness program account.

Subd. 6. **Rules.** The commissioner may adopt rules to implement this section.

Sec. 10. **[136A.1794] AGRICULTURAL EDUCATION LOAN FORGIVENESS PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given.

(b) "Qualified education loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a qualified teacher.

(c) "Qualified teacher" means a teacher licensed under chapter 122A who:

(1) is employed in a nonadministrative position teaching agricultural education in any grade from grades 5 through 12 at a Minnesota school during the current year; and

(2) has completed an undergraduate or graduate program in agricultural education at a college or university approved by the state of Minnesota to prepare persons for teacher licensure.

(d) "School" means the following:

(1) a school or program operated by a school district or a group of school districts;

(2) a tribal contract school eligible to receive aid according to section 124D.83;

(3) a charter school; or

(4) a private school.

Subd. 2. **Account; appropriation.** An agricultural education loan forgiveness account is established in the special revenue fund to provide qualified teachers with financial assistance to repay qualified education loans. Money in the account, including interest, is appropriated to the commissioner for purposes of this section.

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program under this section, an individual must:

(1) be a qualified teacher;

(2) have qualified education loans; and

(3) submit an application to the commissioner in the form and manner prescribed by the commissioner.

(b) An applicant selected to participate must sign a contract to agree to serve a minimum one-year full-time service obligation according to subdivision 4. To complete the service obligation, the applicant must work full time in Minnesota as a qualified teacher. A participant must complete one year of service under this paragraph for each year the participant receives an award under this section.

Subd. 4. **Service obligation.** (a) Before receiving loan repayment disbursements and as requested, a participant must verify to the commissioner that the participant is employed in a position that fulfills the service obligation as required under subdivision 3, paragraph (b).

(b) If a participant does not fulfill the required service obligation, the commissioner must collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The commissioner must deposit the money collected in the agricultural education loan forgiveness account. The commissioner must allow waivers of all or part of the money owed the commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the minimum service commitment.

Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each year for participation in the agricultural education loan forgiveness program, within the limits of available funding. Applicants are responsible for securing their own qualified education loans.

(b) The commissioner must make annual disbursements directly to the eligible participant of \$3,000 or the balance of the participant's qualified education loans, whichever is less, for each year that the participant meets the eligibility requirements under subdivision 3, up to a maximum of five years.

(c) The participant must provide the commissioner with verification that the full amount of the loan repayment disbursement received by the participant has been applied toward the designated qualified education loan. After each disbursement, verification must be received by the commissioner and approved before the next repayment disbursement is made.

Sec. 11. Minnesota Statutes 2016, section 136A.653, is amended by adding a subdivision to read:

Subd. 5. **Regionally accredited nonprofit institutions in Minnesota.** (a) A regionally accredited nonprofit postsecondary institution with its primary physical location in Minnesota is exempt from the provisions of sections 136A.61 to 136A.71 when it creates new or modifies existing:

(1) majors, minors, concentrations, specializations, and areas of emphasis within approved degrees;

(2) nondegree programs within approved degrees;

(3) underlying curriculum or courses;

(4) modes of delivery;

(5) locations; and

(6) fees related to clauses (1) to (5).

(b) The institution must annually notify the commissioner of the exempt actions listed in paragraph (a) and, upon the commissioner's request, must provide additional information about the action.

(c) The institution must notify the commissioner within 60 days of a program closing.

(d) Nothing in this subdivision exempts an institution from the annual registration and degree approval requirements of sections 136A.61 to 136A.71.

Sec. 12. Minnesota Statutes 2016, section 136A.685, is amended to read:

136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR MISREPRESENTATION.

The office ~~shall not provide~~ may revoke, or deny an application for, registration or degree or name approval to a school if there has been a criminal, civil, or administrative adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the school or its owner, officers, agents, or sponsoring organization. If the adjudication was related to a particular academic program, the office may revoke degree approval, or deny an application for degree approval, for that program only.

The adjudication of fraud or misrepresentation is sufficient cause for the office to determine that a school:

- (1) does not qualify for exemption under section 136A.657; or
- (2) is not approved to grant degrees or to use the term "academy," "college," "institute," or "university" in its name.

Sec. 13. Minnesota Statutes 2016, section 136A.902, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner shall appoint a ~~12-member~~ 14-member advisory council consisting of:

- (1) one member representing the University of Minnesota Medical School;
- (2) one member representing the Mayo Medical School;
- (3) one member representing the Courage Kenny Rehabilitation Center;
- (4) one member representing Hennepin County Medical Center;
- (5) one member who is a neurosurgeon;
- (6) one member who has a spinal cord injury;
- (7) one member who is a family member of a person with a spinal cord injury;
- (8) one member who has a traumatic brain injury;
- (9) one member who is a veteran who has a spinal cord injury ~~or a traumatic brain injury;~~
- (10) one member who is a veteran who has a traumatic brain injury;
- (11) one member who is a family member of a person with a traumatic brain injury;
- ~~(12) one member who is a physician specializing in the treatment of spinal cord injury representing Gillette Children's Specialty Healthcare; and~~
- ~~(12) (13) one member who is a physician specializing in the treatment of traumatic brain injury; and~~
- (14) one member representing Gillette Children's Specialty Healthcare.

Sec. 14. **STATE GRANT REPORT.**

(a) The commissioner of higher education must report to the legislature the estimated amount of funding necessary for the state grant program to fully meet the financial aid needs of lower- and middle-income Minnesota college students based on the program's shared responsibility design. The report must include an estimate of:

(1) the amount a student should be expected to contribute toward the cost of education through borrowing and employment;

(2) the amount a student's family should be expected to contribute toward the cost of education, based on the family's financial circumstances;

(3) the actual living and miscellaneous expenses of a student, including room, board, transportation, and the cost of textbooks; and

(4) equitable tuition maximums for public and nonprofit institutions that reflect both tuition charged and the subsidy provided to all students at public institutions received through direct appropriations.

(b) The commissioner must submit the report to the higher education committees of the legislature by October 15, 2017.

ARTICLE 4
OFFICE OF HIGHER EDUCATION AGENCY POLICY

Section 1. Minnesota Statutes 2016, section 135A.15, subdivision 1a, is amended to read:

Subd. 1a. **Sexual assault definition.** For the purposes of this section, "sexual assault" means ~~forcible sex offenses~~ rape, sex offenses - fondling, or sex offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart D, appendix A, as amended.

Sec. 2. Minnesota Statutes 2016, section 136A.103, is amended to read:

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

(a) A postsecondary institution is eligible for state student aid under chapter 136A and sections 197.791 and 299A.45, if the institution is located in this state and:

(1) is operated by this state or the Board of Regents of the University of Minnesota; or

(2) is operated privately and, as determined by the office, meets the requirements of paragraph (b).

(b) A private institution must:

(1) maintain academic standards substantially equivalent to those of comparable institutions operated in this state;

(2) be licensed or registered as a postsecondary institution by the office; and

(3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended; or

(ii) if an institution was participating in state student aid programs as of June 30, 2010, and the institution did not participate in the federal Pell Grant program by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program.

(c) An institution that offers only graduate-level degrees or graduate-level nondegree programs, ~~or that offers only degrees or programs that do not meet the required minimum program length to participate in the federal Pell Grant program,~~ is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office.

(d) An eligible institution under paragraph (b), clause (3), item (ii), that changes ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility.

(e) An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution.

(f) An institution must maintain adequate administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs.

Sec. 3. Minnesota Statutes 2016, section 136A.1795, subdivision 4, is amended to read:

Subd. 4. **Loan forgiveness.** (a) The commissioner may select a maximum of five applicants each year for participation in the loan forgiveness program, within the limits of available funding. Applicants are responsible for securing their own qualified educational loans.

(b) The commissioner must select participants based on their suitability for practice serving the designated rural area, as indicated by experience or training. The commissioner must give preference to applicants closest to completing their training.

(c) The commissioner must make annual disbursements directly to the participant of \$15,000 or the balance of the participant's qualifying educational loans, whichever is less, for each year that a participant meets the service obligation required under subdivision 3, paragraph (b), up to a maximum of five years.

(d) Before receiving loan repayment disbursements and as requested, the participant must complete and return to the commissioner ~~an affidavit~~ a confirmation of practice form provided by the commissioner verifying that the participant is practicing as required under subdivision 2, paragraph (a). The participant must provide the commissioner with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the commissioner and approved before the next loan repayment disbursement is made.

(e) Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2, paragraph (a).

Sec. 4. Minnesota Statutes 2016, section 136A.62, is amended by adding a subdivision to read:

Subd. 8. **Entity.** "Entity" means a specific school or campus location.

Sec. 5. Minnesota Statutes 2016, section 136A.646, is amended to read:

136A.646 ADDITIONAL SECURITY.

(a) ~~In the event~~ New schools that have been granted conditional approval for degrees or names to allow them the opportunity to apply for and receive accreditation under section 136A.65, subdivision 7, or any registered institution that is notified by the United States Department of Education that it has fallen below minimum financial standards

and that its continued participation in Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), ~~the institution~~ shall provide a surety bond ~~conditioned upon the faithful performance of all contracts and agreements with students~~ in a sum equal to the "letter of credit" required by the United States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor more than \$250,000.

(b) In lieu of a bond, the applicant may deposit with the commissioner of management and budget:

(1) a sum equal to the amount of the required surety bond in cash; ~~or~~

(2) securities, as may be legally purchased by savings banks or for trust funds, in an aggregate market value equal to the amount of the required surety bond; or

(3) an irrevocable letter of credit issued by a financial institution to the amount of the required surety bond.

(c) The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In the event of a school closure, the additional security must first be used to destroy any private educational data under section 13.32 left at a physical campus in Minnesota after all other governmental agencies have recovered or retrieved records under their record retention policies. Any remaining funds must then be used to reimburse tuition and fee costs to students that were enrolled at the time of the closure or had withdrawn in the previous 120 calendar days but did not graduate. Priority for refunds will be given to students in the following order:

(1) cash payments made by the student or on behalf of a student;

(2) private student loans; and

(3) Veteran Administration education benefits that are not restored by the Veteran Administration. If there are additional security funds remaining, the additional security funds may be used to cover any administrative costs incurred by the office related to the closure of the school.

Sec. 6. Minnesota Statutes 2016, section 136A.65, subdivision 1a, is amended to read:

Subd. 1a. **Accreditation; requirement.** ~~(a) A school must not be registered or authorized to offer any degree at any level unless the school is accredited~~ has institutional accreditation by an agency recognized by the United States Department of Education for purposes of eligibility to participate in Title IV federal financial aid programs. Any registered school undergoing institutional accreditation shall inform the office of site visits by the accrediting agency and provide office staff the opportunity to attend the visits, ~~including~~ excluding any exit interviews. The institution must provide the office with a copy of the final report upon ~~receipt~~ request of the office.

(b) A school must not be authorized to offer any degree unless the program has programmatic accreditation or the school has institutional accreditation by an agency recognized by the United States Department of Education for purposes of eligibility to participate in Title IV federal financial aid programs. Any program offered by a registered school that does not have institutional accreditation and is undergoing programmatic accreditation shall inform the office of site visits by the accrediting agency and provide office staff the opportunity to attend the visits, excluding any exit interviews. The school must provide the office with a copy of the final report by the accreditor upon request of the office.

Sec. 7. Minnesota Statutes 2016, section 136A.65, subdivision 4, is amended to read:

Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its degree or degrees and name approved must substantially meet the following criteria:

(1) the school has an organizational framework with administrative and teaching personnel to provide the educational programs offered;

(2) the school has financial resources sufficient to meet the school's financial obligations, including refunding tuition and other charges consistent with its stated policy if the institution is dissolved, or if claims for refunds are made, to provide service to the students as promised, and to provide educational programs leading to degrees as offered;

(3) the school operates in conformity with generally accepted ~~budgeting and~~ accounting principles according to the type of school;

(4) the school provides an educational program leading to the degree it offers;

(5) the school provides appropriate and accessible library, laboratory, and other physical facilities to support the educational program offered;

(6) the school has a policy on freedom or limitation of expression and inquiry for faculty and students which is published or available on request;

(7) the school uses only publications and advertisements which are truthful and do not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school, its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment;

(8) the school's compensated recruiting agents who are operating in Minnesota identify themselves as agents of the school when talking to or corresponding with students and prospective students;

(9) the school provides information to students and prospective students concerning:

(i) comprehensive and accurate policies relating to student admission, evaluation, suspension, and dismissal;

(ii) clear and accurate policies relating to granting credit for prior education, training, and experience and for courses offered by the school;

(iii) current schedules of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

(iv) policies regarding refunds and adjustments for withdrawal or modification of enrollment status; and

(v) procedures and standards used for selection of recipients and the terms of payment and repayment for any financial aid program; and

(10) the school must not withhold a student's official transcript because the student is in arrears or in default on any loan issued by the school to the student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b).

(b) An application for degree approval must also include:

(i) title of degree and formal recognition awarded;

(ii) location where such degree will be offered;

(iii) proposed implementation date of the degree;

(iv) admissions requirements for the degree;

(v) length of the degree;

(vi) projected enrollment for a period of five years;

(vii) the curriculum required for the degree, including course syllabi or outlines;

(viii) statement of academic and administrative mechanisms planned for monitoring the quality of the proposed degree;

(ix) statement of satisfaction of professional licensure criteria, if applicable;

(x) documentation of the availability of clinical, internship, externship, or practicum sites, if applicable; and

(xi) statement of how the degree fulfills the institution's mission and goals, complements existing degrees, and contributes to the school's viability.

Sec. 8. Minnesota Statutes 2016, section 136A.65, subdivision 7, is amended to read:

Subd. 7. **Conditional approval.** (a) The office may grant a school a one-year conditional approval for a degree or use of a term in its name for a period of less than one year if doing so would be in the best interests of currently enrolled students or prospective students. Conditional approval of a degree or use of a term under this paragraph must not exceed a period of three years.

(b) The office may grant new schools ~~may be granted~~ and programs a one-year conditional approval for degrees or names annually for a period not to exceed five years use of a term in its name to allow them the school the opportunity to apply for and receive accreditation as required in subdivision 1a. Conditional approval of a school or program under this paragraph must not exceed a period of five years. A new school or program granted conditional approval may be allowed to continue ~~as a registered institution~~ in order to complete an accreditation process upon terms and conditions the office determines.

(c) The office may grant a registered school a one-year conditional approval for degrees or use of a term in its name to allow the school the opportunity to apply for and receive accreditation as required in subdivision 1a if the school's accrediting agency is no longer recognized by the United States Department of Education for purposes of eligibility to participate in Title IV federal financial aid programs. The office must not grant conditional approvals under this paragraph to a school for a period of more than five years.

(d) The office may grant a registered school a one-year conditional approval for degrees or use of a term in its name to allow the school to change to a different accrediting agency recognized by the United States Department of Education for purposes of eligibility to participate in Title IV federal financial aid programs. The office must not grant conditional approvals under this paragraph to a school for a period of more than five years.

Sec. 9. Minnesota Statutes 2016, section 136A.653, is amended to read:

136A.653 EXEMPTIONS.

Subdivision 1. **Application.** A school that seeks an exemption from the provisions of sections 136A.61 to 136A.71 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or until a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires.

~~Subdivision 1.~~ Subd. 1a. **Exemption Private career schools.** A school that is subject to licensing by the office under sections 136A.82 to 136A.834 is exempt from the provisions of sections 136A.61 to 136A.71. The determination of the office as to whether a particular school is subject to regulation under sections 136A.82 to 136A.834 is final for the purposes of this exemption.

Subd. 2. **Educational program; nonprofit organizations.** Educational programs which are sponsored by a bona fide and nonprofit trade, labor, business, professional or fraternal organization, which programs are conducted solely for that organization's membership or for the members of the particular industries or professions served by that organization, and which are not available to the public on a fee basis, are exempted from the provisions of sections 136A.61 to 136A.71.

Subd. 3. **Educational program; business firms.** Educational programs which are sponsored by a business firm for the training of its employees or the employees of other business firms with which it has contracted to provide educational services at no cost to the employees are exempted from the provisions of sections 136A.61 to 136A.71.

Subd. 3a. **Tuition-free educational courses.** A school, including a school using an online platform service, offering training, courses, or programs is exempt from sections 136A.61 to 136A.71, to the extent ~~it offers tuition free courses to students in Minnesota. A course will be considered tuition free if the school charges no tuition and the required fees and other required charges paid by the student for the course~~ tuition, fees, and any other charges for a student to participate do not exceed two percent of the most recent average undergraduate tuition and required fees as of January 1 of the current year charged for full-time students at all degree-granting institutions as published annually by the United States Department of Education as of January 1 of each year. To qualify for an exemption, a school or online platform service must prominently display a notice comparable to the following: "IMPORTANT: Each educational institution makes its own decision regarding whether to accept completed coursework for credit. Check with your university or college."

Subd. 4. **Voluntary submission.** Any school or program exempted from the provisions of sections 136A.61 to 136A.71 by the provisions of this section may voluntarily submit to the provisions of those sections.

Sec. 10. Minnesota Statutes 2016, section 136A.657, is amended by adding a subdivision to read:

Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections 136A.61 to 136A.71 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires.

Sec. 11. Minnesota Statutes 2016, section 136A.67, is amended to read:

136A.67 REGISTRATION REPRESENTATIONS.

No school and none of its officials or employees shall advertise or represent in any manner that such school is approved or accredited by the office or the state of Minnesota, except a school which is duly registered with the office, or any of its officials or employees, may represent in advertising and shall disclose in catalogues,

applications, and enrollment materials that the school is registered with the office by prominently displaying the following statement: "(Name of school) is registered with the office Minnesota Office of Higher Education pursuant to sections 136A.61 to 136A.71. Registration is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions." In addition, all registered schools shall publish in the school catalog or student handbook the name, street address, telephone number, and Web site address of the office.

Sec. 12. **[136A.672] STUDENT COMPLAINTS.**

Subdivision 1. **Authority.** The office has the authority to review and take appropriate action on student complaints from schools covered under the provisions of sections 136A.61 to 136A.71.

Subd. 2. **Complaint.** A complaint must be in writing, be signed by a student, and state how the school's policies and procedures or sections 136A.61 to 136A.71 were violated. Student complaints shall be limited to complaints that occurred within six years from the date the concern should have been discovered with reasonable effort and after the student has utilized the school's internal complaint process. Students do not have to utilize a school's internal complaint process before the office has authority when the student is alleging fraud or misrepresentation. The office shall not investigate grade disputes, student conduct proceedings, disability accommodation requests, and discrimination claims, including Title IX complaints.

Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a complaint within the authority of subdivision 2. A school involved in an investigation shall be informed of the alleged violations and the processes of the investigation. A school involved in an investigation shall respond to the alleged violations and provide requested documentation to the office. Upon completing an investigation, the office shall inform the school and the student of the investigation outcome.

Subd. 4. **Penalties.** If violations are found, the office may require remedial action by the school or assign a penalty under section 136A.705. Remedial action may include student notification of violations, adjustments to the school's policies and procedures, and tuition or fee refunds to impacted students.

Sec. 13. Minnesota Statutes 2016, section 136A.68, is amended to read:

136A.68 RECORDS.

A registered school shall maintain a permanent record for each student for 50 years from the last date of the student's attendance. A registered school offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance. Records include a student's academic transcript, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance. To preserve permanent records, a school shall submit a plan that meets the following requirements:

- (1) at least one copy of the records must be held in a secure, fireproof depository or duplicate records must be maintained off site in a secure location and in a manner approved by the office;
- (2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;
- (3) an alternative method approved by the office of complying with clauses (1) and (2) must be established if the school ceases to exist; and

(4) if the school has no binding agreement approved by the office for preserving student records, a continuous surety bond or an irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed \$20,000. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Sec. 14. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision to read:

Subd. 13. Compliance audit. "Compliance audit" means an audit of a school's compliance with federal requirements related to its participation in federal Title IV student aid programs or other federal grant programs performed under either Uniform Grant Guidance, including predecessor Federal Circular A-133, or the United States Department of Education's audit guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers.

Sec. 15. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision to read:

Subd. 14. Entity. "Entity" means a specific school or campus location.

Sec. 16. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision to read:

Subd. 15. Higher-level entity. "Higher-level entity" means a corporate parent or ultimate parent company or, in the case of a public school, the larger public system of which an entity is a part.

Sec. 17. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision to read:

Subd. 16. Audited financial statements. "Audited financial statements" means the financial statements of an entity or higher-level entity that have been examined by a certified public accountant or an equivalent government agency for public entities that include (1) an auditor's report, a statement of financial position, an income statement, a statement of cash flows, and notes to the financial statements or (2) the required equivalents for public entities as determined by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or the Securities and Exchange Commission.

Sec. 18. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision to read:

Subd. 17. Review-level engagement. "Review-level engagement" means a service performed by a certified public accountant that provides limited assurance that there are no material modifications that need to be made to an entity's financial statements in order for them to conform to generally accepted accounting principles. Review-level engagement provides fewer assurances than those reported under audited financial statements.

Sec. 19. Minnesota Statutes 2016, section 136A.822, subdivision 4, is amended to read:

Subd. 4. Application. Application for a license shall be on forms prepared and furnished by the office, and shall include the following and other information as the office may require:

- (1) the title or name of the private career school, ownership and controlling officers, members, managing employees, and director;
- (2) the specific programs which will be offered and the specific purposes of the instruction;
- (3) the place or places where the instruction will be given;

- (4) a listing of the equipment available for instruction in each program;
- (5) the maximum enrollment to be accommodated with equipment available in each specified program;
- (6) the qualifications of instructors and supervisors in each specified program;
- (7) financial documents related to the entity's and higher-level entity's most recently completed fiscal year:
 - (i) annual gross revenues from all sources;
 - (ii) financial statements subjected to a review level engagement or, if requested by the office, audited financial statements;
 - (iii) a school's most recent compliance audit, if applicable; and
 - (iv) a current balance sheet, income statement, and adequate supporting documentation, prepared and certified by an independent public accountant or CPA;
- (8) copies of all media advertising and promotional literature and brochures or electronic display currently used or reasonably expected to be used by the private career school;
- (9) copies of all Minnesota enrollment agreement forms and contract forms and all enrollment agreement forms and contract forms used in Minnesota; and
- (10) gross income earned in the preceding year from student tuition, fees, and other required institutional charges, ~~unless the private career school files with the office a surety bond equal to at least \$250,000 as described in subdivision 6.~~

Sec. 20. Minnesota Statutes 2016, section 136A.822, subdivision 6, is amended to read:

Subd. 6. **Bond.** (a) No license shall be issued to any private career school which maintains, conducts, solicits for, or advertises within the state of Minnesota any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b)(1) The amount of the surety bond shall be ten percent of the preceding year's ~~gross net~~ income from student tuition, fees, and other required institutional charges collected, but in no event less than \$10,000 ~~nor greater than \$250,000~~, except that a private career school may deposit a greater amount at its own discretion. A private career school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision, ~~unless the private career school maintains a surety bond equal to at least \$250,000.~~ A private career school that operates at two or more locations may combine ~~gross net~~ income from student tuition, fees, and other required institutional charges collected for all locations for the purpose of determining the annual surety bond requirement. The ~~gross net~~ tuition and fees used to determine the amount of the surety bond required for a private career school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the private career school by the students recruited from Minnesota.

(2) A person required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board, except not including those schools licensed exclusively in order to participate in state grants or SELF loan financial aid programs, shall be required to provide a school bond of \$10,000.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the private career school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a private career school to post and maintain the required surety bond or deposit under paragraph (d) ~~shall~~ may result in denial, suspension, or revocation of the school's license.

Sec. 21. Minnesota Statutes 2016, section 136A.822, subdivision 12, is amended to read:

Subd. 12. **Permanent records.** A private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent record for each student for 50 years from the last date of the student's attendance. A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance. To preserve permanent records, a private career school shall submit a plan that meets the following requirements:

- (1) at least one copy of the records must be held in a secure, fireproof depository;
- (2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;
- (3) an alternative method, approved by the office, of complying with clauses (1) and (2) must be established if the private career school ceases to exist; and
- (4) a continuous surety bond or irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed \$20,000 if the private career school has no binding agreement approved by the office, for preserving student records. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Sec. 22. Minnesota Statutes 2016, section 136A.822, subdivision 13, is amended to read:

Subd. 13. **Private career schools licensed by another state agency or board.** A private career school required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name or licensed for the purpose of participating in state financial aid under chapter 136A, and which is also licensed by another state agency or board shall be required to satisfy only the requirements of subdivisions 4, clauses (1), (2), (3), (5), (7), ~~(8)~~, and (10); 5; 6, paragraph (b), clause (2); 8, clauses (1), ~~(4)~~, (7), ~~(8)~~, and (9); 9; 10, ~~clause (13)~~; and 12. If a school is licensed to participate in state financial aid under this chapter, the school must follow the refund policy in section 136A.827, even if that section conflicts with the refund policy of the licensing agency or board. A distance education private career school located in another state, or a school licensed to recruit Minnesota residents for attendance at a school outside of this state, or a school licensed by another state agency as its primary licensing body, may continue to use the school's name as permitted by its home state or its primary licensing body.

Sec. 23. Minnesota Statutes 2016, section 136A.826, subdivision 2, is amended to read:

Subd. 2. **Contract information.** A contract or enrollment agreement used by a private career school must include at least the following:

- (1) the name and address of the private career school, clearly stated;
- (2) a clear and conspicuous disclosure that the agreement is a legally binding instrument upon written acceptance of the student by the private career school unless canceled under section 136A.827;
- (3) the private career school's cancellation and refund policy that shall be clearly and conspicuously entitled "Buyer's Right to Cancel";
- (4) a clear statement of total cost of the program including tuition and all other charges;
- (5) the name and description of the program, including the number of hours or credits of classroom instruction, or distance instruction, that shall be included; and
- (6) a clear and conspicuous explanation of the form and means of notice the student should use in the event the student elects to cancel the contract or sale, the effective date of cancellation, and the name and address, e-mail address, or phone number of the seller to which the notice should be sent or delivered.

The contract or enrollment agreement must not include a wage assignment provision or a confession of judgment clause.

Sec. 24. Minnesota Statutes 2016, section 136A.827, subdivision 2, is amended to read:

Subd. 2. **Private career schools using written contracts.** (a) Notwithstanding anything to the contrary, a private career school that uses a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student, if the student gives ~~written~~ notice of cancellation within five business days after the day on which the contract was executed regardless of whether the program has started.

(b) When a student has been accepted by the private career school and has entered into a contractual agreement with the private career school and gives ~~written~~ notice of cancellation following the fifth business day after the date of execution of contract, but before the start of the program in the case of resident private career schools, or before the first lesson has been serviced by the private career school in the case of distance education private career schools, all tuition, fees and other charges, except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded to the student.

Sec. 25. Minnesota Statutes 2016, section 136A.827, subdivision 3, is amended to read:

Subd. 3. **Notice; amount.** (a) A private career school shall refund all tuition, fees and other charges paid by a student if the student gives ~~written~~ notice of cancellation within five business days after the day on which the student is accepted by the private career school regardless of whether the program has started.

(b) When a student has been accepted by the private career school and gives ~~written~~ notice of cancellation following the fifth business day after the day of acceptance by the private career school, but before the start of the program, in the case of resident private career schools, or before the first lesson has been serviced by the private career school, in the case of distance education private career schools, all tuition, fees and other charges, except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded to the student.

Sec. 26. Minnesota Statutes 2016, section 136A.828, subdivision 3, is amended to read:

Subd. 3. **False statements.** (a) A private career school, agent, or solicitor shall not make, or cause to be made, any statement or representation, oral, written or visual, in connection with the offering or publicizing of a program, if the private career school, agent, or solicitor knows or reasonably should have known the statement or representation to be false, fraudulent, deceptive, substantially inaccurate, or misleading.

(b) Other than opinion-based statements or puffery, a school shall only make claims that are evidence-based, can be validated, and are based on current conditions and not on conditions that are no longer relevant.

(c) A school shall not guarantee or imply the guarantee of employment.

(d) A school shall not guarantee or advertise any certain wage or imply earnings greater than the prevailing wage for entry-level wages in the field of study for the geographic area unless advertised wages are based on verifiable wage information from graduates.

(e) If placement statistics are used in advertising or other promotional materials, the school must be able to substantiate the statistics with school records. These records must be made available to the office upon request. A school is prohibited from reporting the following in placement statistics:

(1) a student required to receive a job offer or start a job to be classified as a graduate;

(2) a graduate if the graduate held a position before enrolling in the program, unless graduating enabled the graduate to maintain the position or the graduate received a promotion or raise upon graduation;

(3) a graduate who works less than 20 hours per week; and

(4) a graduate who is not expected to maintain the position for at least 180 days.

(f) A school shall not use endorsements, commendations, or recommendations by a student in favor of a school except with the consent of the student and without any offer of financial or other material compensation. Endorsements may be used only when they portray current conditions.

(g) A school may advertise that the school or its programs have been accredited by an accrediting agency recognized by the United States Department of Education or the Council for Higher Education Accreditation, but shall not advertise any other accreditation unless approved by the office. The office may approve an institution's advertising of accreditation that is not recognized by the United States Department of Education or the Council for Higher Education if that accreditation is industry specific. Clear distinction must be made when the school is in candidacy or application status versus full accreditation.

(h) A school may advertise that financial aid is available, including a listing of the financial aid programs in which the school participates, but federal or state financial aid shall not be used as a primary incentive in advertisement, promotion, or recruitment.

(i) A school may advertise placement or career assistance, if offered, but shall not use the words "wanted," "help wanted," or "trainee," either in the headline or the body of the advertisement.

(j) A school shall not be advertised under any "help wanted," "employment," or similar classification.

(k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar test.

(l) The commissioner, at any time, may require a retraction of a false, misleading, or deceptive claim. To the extent reasonable, the retraction must be published in the same manner as the original claim.

Sec. 27. **[136A.8295] STUDENT COMPLAINTS.**

Subdivision 1. **Authority.** The office has the authority to review and take appropriate action on student complaints from schools covered under the provisions of sections 136A.822 to 136A.834.

Subd. 2. **Complaint.** A complaint must be in writing, be signed by a student, and state how the school's policies and procedures or sections 136A.822 to 136A.834 were violated. Student complaints shall be limited to complaints that occurred within six years from the date the concern should have been discovered with reasonable effort and after the student has utilized the school's internal complaint process. Students do not have to utilize a school's internal complaint process before the office has authority when the student is alleging fraud or misrepresentation. The office shall not investigate grade disputes, student conduct proceedings, disability accommodation requests, and discrimination claims, including Title IX complaints.

Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a complaint within the authority of subdivision 2. A school involved in an investigation shall be informed of the alleged violations and the processes of the investigation. A school involved in an investigation shall respond to the alleged violations and provide requested documentation to the office. Upon completion of an investigation, the office shall inform the school and the student of the investigation outcome.

Subd. 4. **Penalties.** If violations are found, the office may require remedial action by the school or assign a penalty under section 136A.832. Remedial action may include student notification of violations, adjustments to the school's policies and procedures, and tuition or fee refunds to impacted students.

Sec. 28. Minnesota Statutes 2016, section 136A.83, is amended to read:

136A.83 INSPECTION.

(a) The office or a delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any private career school or applicant for license at any reasonable time. The office may require the submission of ~~a certified public audit, or if there is no such audit available~~ audited financial statements. The office or a delegate may inspect the financial books and records of the private career school. In no event shall such financial information be used by the office to regulate or set the tuition or fees charged by the private career school.

(b) Data obtained from an inspection of the financial records of a private career school or submitted to the office as part of a license application or renewal are nonpublic data as defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed to other members of the office, to law enforcement officials, or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.

Sec. 29. Minnesota Statutes 2016, section 136A.833, is amended to read:

136A.833 EXEMPTIONS.

Subdivision 1. **Application for exemptions.** A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires.

Subd. 2. Exemption reasons. Sections 136A.821 to 136A.832 shall not apply to the following:

- (1) public postsecondary institutions;
- (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) private career schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;
- (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- (5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;
- (6) private career schools exclusively engaged in training physically or mentally disabled persons for the state of Minnesota;
- (7) private career schools licensed by boards authorized under Minnesota law to issue licenses except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- (8) private career schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;
- (9) private career schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names unless the private career school used "academy" or "institute" in its name prior to August 1, 2008;
- (10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;
- (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;
- (12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;
- (13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;
- (14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- (15) classes, courses, or programs providing instruction in personal development, modeling, or acting;

(16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment;

(17) private career schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions if the distance education instruction does not include internships, externships, field placements, or clinical placements for residents of Minnesota; and

(18) private career schools providing exclusively training, instructional programs, or courses where tuition, fees, and any other charges for a student to participate do not exceed \$100.

Sec. 30. Minnesota Statutes 2016, section 136A.834, is amended by adding a subdivision to read:

Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections 136A.82 to 136A.834 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires.

Sec. 31. Laws 2015, chapter 69, article 3, section 20, subdivision 10, is amended to read:

Subd. 10. **Credit load.** By the end of the first academic year including summer term, a grantee must have accumulated at least the lesser of 30 program credits by the end of the first academic year including summer term or the number of credits that the student's program is scheduled for during the first academic year. A college must certify that a grantee is carrying sufficient credits in the second grant year to complete the program at the end of the second year, including summer school. The commissioner shall set the terms and provide the form for certification.

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

Amend the title as follows:

Page 1, line 2, delete "related"

Correct the title numbers accordingly

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 4 and 888 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Fenton introduced:

H. F. No. 2549, A bill for an act relating to barbers; repealing rule that precludes mobile barber shops; setting registration and renewal fees for mobile barber shops; authorizing rulemaking; amending Minnesota Statutes 2016, section 154.003; repealing Minnesota Rules, part 2100.7000.

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

Haley introduced:

H. F. No. 2550, A bill for an act relating to capital investment; appropriating money for a study for the Chicago-Twin Cities passenger rail corridor; authorizing the sale and issuance of state bonds.

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

Flanagan, Omar, Olson, Moran and Murphy, E., introduced:

H. F. No. 2551, A bill for an act relating to human services; appropriating money for food shelf programs.

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

Koegel, Pryor, Olson, Mariani and Davnie introduced:

H. F. No. 2552, A bill for an act relating to education; health; increasing appropriations for school-linked mental health services; providing for school staff and program development; requiring an intermediate school district program evaluation; providing for additional supports for students attending alternative learning centers in intermediate districts; amending Minnesota Statutes 2016, sections 123A.05, by adding a subdivision; 127A.47, subdivision 7; 245.4889, subdivision 1; Laws 2016, chapter 189, article 24, section 22; article 25, section 62, subdivision 2.

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

Gruenhagen introduced:

H. F. No. 2553, A bill for an act relating to human rights; clarifying certain provisions in the Human Rights Act governing gender-specific accommodations; amending Minnesota Statutes 2016, sections 363A.03, subdivision 42; 363A.20, by adding a subdivision; 363A.24, subdivision 1.

The bill was read for the first time and referred to the Committee on Civil Law and Data Practices Policy.

This introduced:

H. F. No. 2554, A bill for an act relating to human services; appropriating money for an assessment of advanced in-home activity-monitoring systems.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 7, A Senate concurrent resolution relating to adjournment for more than three days.

CAL R. LUDEMAN, Secretary of the Senate

SUSPENSION OF RULES

Peppin moved that the rules be so far suspended that Senate Concurrent Resolution No. 7 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 7

A Senate concurrent resolution relating to adjournment for more than three days.

Be It Resolved, by the Senate of the State of Minnesota, the House of Representatives concurring, that:

(1) Upon its adjournment on Thursday, April 6, 2017, the Senate may adjourn for more than three days, and upon its adjournment on Friday, April 7, 2017, the House of Representatives may adjourn for more than three days.

(2) By the adoption of this resolution, each house consents to adjournment of the other house for more than three days.

Peppin moved that Senate Concurrent Resolution No. 7 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 7 was adopted.

REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Wednesday, March 29, 2017 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 474 and 792; and S. F. No. 151.

Peppin moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

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

Wagenius was excused for the remainder of today's session.

CALENDAR FOR THE DAY

S. F. No. 218 was reported to the House.

Swedzinski moved to amend S. F. No. 218, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **TRUNK HIGHWAY MOWING OR HAYING.**

Subdivision 1. **Permits moratorium.** (a) Except as provided in paragraph (b), the commissioner of transportation is prohibited from requiring, issuing, or enforcing permits under Minnesota Statutes, sections 160.232 and 160.2715, or any other Minnesota statute or administrative rule, to mow or bale hay in right-of-way under the jurisdiction of the commissioner.

(b) This subdivision applies regardless of date of any permit issuance. This subdivision does not apply to right-of-way in which adjacent land is under the jurisdiction of the state or a political subdivision.

Subd. 2. **Recommendation to legislature.** (a) No later than March 1, 2018, the commissioner of transportation must recommend to the legislative committees with jurisdiction over transportation, agriculture, and natural resources establishment of a permit or notification system to mow or hay in trunk highway right-of-way. The recommendation must be developed in coordination with the commissioners of agriculture and natural resources, and with the chairs and ranking minority members of the legislative committees identified in this paragraph.

(b) The recommendation must contain at least the following elements:

(1) ease of permit application or notification;

(2) frequency of permits or notifications;

(3) priority given to the owner or occupant of private land adjacent to a trunk highway right-of-way;

(4) determination of authority to mow or hay trunk highway right-of-way in which adjacent land is under the jurisdiction of the state or a political subdivision; and

(5) recognition of differences in the abundance of wildlife habitat north and south of marked U.S. Highway 10.

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

Delete the title and insert:

"A bill for an act relating to transportation; governing mowing and haying in trunk highway right-of-way; establishing a moratorium and requiring a recommendation to the legislature."

SUSPENSION OF RULES

Swedzinski moved that rule 3.33 relating to Amendments Must Be Prefiled be suspended for the purpose of offering the Swedzinski amendment to the Swedzinski amendment to S. F. No. 218. The motion prevailed.

Swedzinski moved to amend the Swedzinski amendment to S. F. No. 218, the first engrossment, as follows:

Page 1, line 5, delete "is prohibited from requiring, issuing, or" and insert "must implement a moratorium until April 30, 2018, on"

Page 1, line 7, delete everything after "right-of-way" and insert "of a trunk highway."

Page 1, delete line 8

Page 1, line 16, delete everything after "developed" and insert "with input from agriculture and environmental groups."

Page 1, delete lines 17 and 18

Page 2, line 3, delete everything after "habitat" and insert "based on geographic distribution throughout the state."

Page 2, delete line 4

Amend the title as follows:

Page 2, line 9, before "moratorium" insert "temporary"

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

The question recurred on the Swedzinski amendment, as amended, to S. F. No. 218, the first engrossment. The motion prevailed and the amendment, as amended, was adopted.

Loeffler was excused between the hours of 4:45 p.m. and 5:00 p.m.

Halverson was excused for the remainder of today's session.

S. F. No. 218, A bill for an act relating to transportation; prohibiting road authorities from establishing certain requirements and permits that govern mowing.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 106 yeas and 23 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|--------------|------------|-------------|---------------|------------|------------|
| Albright | Daniels | Haley | Kunesh-Podein | Nash | Runbeck |
| Allen | Davids | Hamilton | Layman | Neu | Sauke |
| Anderson, P. | Davnie | Heintzeman | Lesch | Newberger | Schomacker |
| Anderson, S. | Dean, M. | Hertaus | Liebling | Nornes | Smith |
| Anselmo | Dettmer | Hilstrom | Lien | O'Driscoll | Swedzinski |
| Applebaum | Drazkowski | Hoppe | Lillie | O'Neill | Theis |
| Backer | Ecklund | Hortman | Lohmer | Pelowski | Thissen |
| Bahr, C. | Erickson | Howe | Loon | Peppin | Torkelson |
| Baker | Fabian | Jessup | Loonan | Petersburg | Uglen |
| Barr, R. | Fenton | Johnson, B. | Lucero | Peterson | Urdahl |
| Becker-Finn | Fischer | Johnson, C. | Lueck | Pierson | Vogel |
| Bennett | Franke | Johnson, S. | Mahoney | Pinto | West |
| Bliss | Franson | Jurgens | Marquart | Poppe | Whelan |
| Carlson, A. | Garofalo | Kiel | Maye Quade | Poston | Wills |
| Carlson, L. | Green | Knoblach | McDonald | Pryor | Zerwas |
| Christensen | Grossell | Koegel | Metsa | Pugh | Spk. Daudt |
| Considine | Gruenhagen | Koznick | Murphy, E. | Quam | |
| Cornish | Gunther | Kresha | Murphy, M. | Rarick | |

Those who voted in the negative were:

| | | | | | |
|----------|----------|-----------|--------|-----------|---------|
| Bernardy | Flanagan | Hornstein | Moran | Rosenthal | Sundin |
| Bly | Freiberg | Lee | Nelson | Sandstede | Ward |
| Clark | Hansen | Mariani | Olson | Schultz | Youakim |
| Dehn, R. | Hausman | Masin | Omar | Slocum | |

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

H. F. No. 837 was reported to the House.

Torkelson moved to amend H. F. No. 837, the first engrossment, as follows:

Page 4, line 33, delete everything after "following" and insert "final enactment."

Page 4, delete line 34

Page 5, delete lines 1 to 7

The motion prevailed and the amendment was adopted.

H. F. No. 837, A bill for an act relating to transportation finance; modifying an appropriation for state road construction; amending Laws 2015, chapter 75, article 1, section 3, subdivision 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|--------------|------------|---------------|------------|------------|------------|
| Albright | Davids | Hansen | Lesch | Neu | Sauke |
| Allen | Davnie | Hausman | Liebling | Newberger | Schomacker |
| Anderson, P. | Dean, M. | Heintzeman | Lien | Nornes | Schultz |
| Anderson, S. | Dehn, R. | Hertaus | Lillie | O'Driscoll | Slocum |
| Anselmo | Dettmer | Hilstrom | Loeffler | Olson | Smith |
| Applebaum | Drazkowski | Hoppe | Lohmer | Omar | Sundin |
| Backer | Ecklund | Hornstein | Loon | O'Neill | Swedzinski |
| Bahr, C. | Erickson | Hortman | Loonan | Pelowski | Theis |
| Baker | Fabian | Howe | Lucero | Peppin | Thissen |
| Barr, R. | Fenton | Jessup | Lueck | Petersburg | Torkelson |
| Becker-Finn | Fischer | Johnson, B. | Mahoney | Peterson | Uglem |
| Bennett | Flanagan | Johnson, C. | Mariani | Pierson | Urdahl |
| Bernardy | Franke | Johnson, S. | Marquart | Pinto | Vogel |
| Bliss | Franson | Jurgens | Masin | Poppe | Ward |
| Bly | Freiberg | Kiel | Maye Quade | Poston | West |
| Carlson, A. | Garofalo | Knoblach | McDonald | Pryor | Whelan |
| Carlson, L. | Green | Koegel | Metsa | Pugh | Wills |
| Christensen | Grossell | Koznick | Moran | Quam | Youakim |
| Clark | Gruenhagen | Kresha | Murphy, E. | Rarick | Zerwas |
| Considine | Gunther | Kunesh-Podein | Murphy, M. | Rosenthal | Spk. Daudt |
| Cornish | Haley | Layman | Nash | Runbeck | |
| Daniels | Hamilton | Lee | Nelson | Sandstede | |

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

S. F. No. 662, A bill for an act relating to health; creating an exemption from the practice of dentistry for certain dental students; amending Minnesota Statutes 2016, section 150A.05, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|--------------|------------|---------------|------------|------------|------------|
| Albright | Davids | Hansen | Lesch | Neu | Sauke |
| Allen | Davnie | Hausman | Liebling | Newberger | Schomacker |
| Anderson, P. | Dean, M. | Heintzeman | Lien | Nornes | Schultz |
| Anderson, S. | Dehn, R. | Hertaus | Lillie | O'Driscoll | Slocum |
| Anselmo | Dettmer | Hilstrom | Loeffler | Olson | Smith |
| Applebaum | Drazkowski | Hoppe | Lohmer | Omar | Sundin |
| Backer | Ecklund | Hornstein | Loon | O'Neill | Swedzinski |
| Bahr, C. | Erickson | Hortman | Loonan | Pelowski | Theis |
| Baker | Fabian | Howe | Lucero | Peppin | Thissen |
| Barr, R. | Fenton | Jessup | Lueck | Petersburg | Torkelson |
| Becker-Finn | Fischer | Johnson, B. | Mahoney | Peterson | Uglen |
| Bennett | Flanagan | Johnson, C. | Mariani | Pierson | Urdahl |
| Bernardy | Franke | Johnson, S. | Marquart | Pinto | Vogel |
| Bliss | Franson | Jurgens | Masin | Poppe | Ward |
| Bly | Freiberg | Kiel | Maye Quade | Poston | West |
| Carlson, A. | Garofalo | Knobloch | McDonald | Pryor | Whelan |
| Carlson, L. | Green | Koegel | Metsa | Pugh | Wills |
| Christensen | Grossell | Koznick | Moran | Quam | Youakim |
| Clark | Gruenhagen | Kresha | Murphy, E. | Rarick | Zerwas |
| Considine | Gunther | Kunesh-Podein | Murphy, M. | Rosenthal | Spk. Daudt |
| Cornish | Haley | Layman | Nash | Runbeck | |
| Daniels | Hamilton | Lee | Nelson | Sandstede | |

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Thursday, March 30, 2017 and established a prefilng requirement for amendments offered to the following bills:

H. F. Nos. 4 and 888.

MOTIONS AND RESOLUTIONS

Dettmer moved that the name of Pierson be added as an author on H. F. No. 119. The motion prevailed.

Bly moved that the name of Daniels be added as an author on H. F. No. 272. The motion prevailed.

Fischer moved that the name of Pierson be added as an author on H. F. No. 477. The motion prevailed.

Dettmer moved that the name of Fischer be added as an author on H. F. No. 755. The motion prevailed.

Applebaum moved that his name be stricken as an author on H. F. No. 760. The motion prevailed.

Metsa moved that the name of Applebaum be added as an author on H. F. No. 869. The motion prevailed.

Hansen moved that his name be stricken as an author on H. F. No. 888. The motion prevailed.

Urdahl moved that the name of Pierson be added as an author on H. F. No. 892. The motion prevailed.

Metsa moved that the name of Lee be added as an author on H. F. No. 926. The motion prevailed.

Applebaum moved that the name of Lee be added as an author on H. F. No. 927. The motion prevailed.

Albright moved that the name of Jessup be added as an author on H. F. No. 1194. The motion prevailed.

Dehn, R., moved that the name of Clark be added as an author on H. F. No. 1757. The motion prevailed.

Liebling moved that the name of Clark be added as an author on H. F. No. 1758. The motion prevailed.

Kunesh-Podein moved that the name of Clark be added as an author on H. F. No. 1759. The motion prevailed.

Dehn, R., moved that the name of Clark be added as an author on H. F. No. 1760. The motion prevailed.

Dean, M., moved that the name of Fischer be added as an author on H. F. No. 1844. The motion prevailed.

Franke moved that the name of Clark be added as an author on H. F. No. 2047. The motion prevailed.

Hamilton moved that the name of Metsa be added as an author on H. F. No. 2167. The motion prevailed.

Maye Quade moved that her name be stricken as an author on H. F. No. 2336. The motion prevailed.

Fenton moved that the name of Ward be added as an author on H. F. No. 2453. The motion prevailed.

Sandstede moved that the name of Youakim be added as an author on H. F. No. 2504. The motion prevailed.

Rosenthal moved that the name of Barr, R., be added as an author on H. F. No. 2511. The motion prevailed.

Becker-Finn moved that the name of Masin be added as an author on H. F. No. 2515. The motion prevailed.

Maye Quade moved that the name of Lee be added as an author on H. F. No. 2516. The motion prevailed.

Maye Quade moved that the name of Lee be added as an author on H. F. No. 2517. The motion prevailed.

Lee moved that the name of Dehn, R., be added as an author on H. F. No. 2518. The motion prevailed.

Moran moved that the name of Lee be added as an author on H. F. No. 2522. The motion prevailed.

Moran moved that the names of Lee and Dehn, R., be added as authors on H. F. No. 2523. The motion prevailed.

Kunesh-Podein moved that the name of Koegel be added as an author on H. F. No. 2529. The motion prevailed.

Koznick moved that the name of Peterson be added as an author on H. F. No. 2548. The motion prevailed.

Hoppe moved that H. F. No. 1249 be recalled from the Committee on Taxes and be re-referred to the Committee on Civil Law and Data Practices Policy. The motion prevailed.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 10:00 a.m., Wednesday, March 29, 2017. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Wednesday, March 29, 2017.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

