

HOUSE RESEARCH

Bill Summary

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Article 1: Summary

Summarizes direct general fund appropriations and transfers into the general fund.

Article 2: E-12 Education

Tim Strom (651-296-1886)

- 1 Alternative facilities qualifications. Authorizes a school district that qualified for alternative facilities revenue on July 1, 2007 , to remain qualified for revenue under the program regardless of the school district's total square footage of building space.
- 2 Referendum revenue. Modifies the notice requirement for language that must appear on a ballot to renew a school district operating referendum levy, replacing the words "you may be voting for a property tax increase" with "...you are voting to extend an existing property tax referendum that is scheduled to expire." Makes the change effective for elections after June 30, 2008 .
- 3 Appropriations; Department of Education. Reduces the fiscal year 2009 appropriation to the Minnesota Department of Education by four percent (\$892,000) and limits where the cuts can be taken.
- 4 Repealer. Repeals section 127A.45, subdivision 7a (Advance Final Payment).

Article 3: Education Forecast Adjustments

Tim Strom (651-296-1886)

An appropriations deficiency occurs when the appropriation in law is smaller than the amount necessary to fully fund the program. For the last several years, the legislature and the executive branch have operated under a series of budget principles that require the legislature to fully fund programs and for the forecast to reflect the full cost of these programs.

This bill makes corrections to appropriations for fiscal years 2008 and 2009 to reflect the February 2008 forecast of spending. These appropriations are already included in the February 2008 Forecast of base expenditures.

Appropriations that are modified in this bill to match the February 2008 Forecast aid estimates include:

- general education aid;
- referendum tax base replacement aid;
- enrollment options transportation;
- abatement aid;
- consolidation transition aid;
- nonpublic pupil aid;
- nonpublic pupil transportation aid;
- charter school building lease aid;
- integration aid;
- aid for tribal contract schools;
- aid for children with disabilities;
- travel for home-based services;
- health and safety aid;
- debt service equalization aid;
- deferred maintenance aid;
- school technology and operating capital grants;
- school lunch aid;
- school breakfast aid;
- Early Childhood Family Education aid;
- school readiness aid;
- health and developmental screening aid;
- community education aid;
- adults with disabilities program aid; and
- adult basic education aid.

Article 4: Higher Education

Kathy Novak (651-296-9253)

1

Summary of appropriations. Appropriations to the office of higher education, the Minnesota state colleges and universities (MnSCU) and the University of Minnesota are reduced a total of \$20.766 million for the 2008-2009 biennium.

2 Appropriations. Provides that additions and reductions in appropriations are from the amounts in the 2007
higher education finance bill.

3 Office of Higher Education. Reduces appropriations \$6.886 million with \$5.5 million from the Achieve
scholarship program enacted in 2007 and \$111,000 as a base reduction to the office operations. Sets the
Achieve base at \$3 million per year in the next biennium. Provides for cancellations and transfers of unused
funds.

4 Minnesota State Colleges and Universities. Reduces general appropriations \$6.6 million in FY 2009, with \$5
million from technology and the remainder from the office of the chancellor. Prohibits any reductions to
campuses or increased assessments as a result of the reduction. Directs MnSCU to reallocate \$9 million to
reduce tuition as planned. Makes new appropriations: \$500,000 to cover the impact of loss of nonresident
tuition (at Alexandria, Anoka and Hennepin Technical colleges and North Hennepin community and technical
college); \$1 million to compensate colleges for the loss of reciprocity tuition; \$900,000 for the Power of You
(at Metropolitan State University, Minneapolis Community and Technical College and St. Paul College); and
\$120,000 onetime, for a teachers of diverse background, ground pilot financial aid program (at Winona
State/Rochester schools and St. Cloud State/ Robbinsdale schools) to give grants for the last two years of
college for eligible students who are in teacher preparation programs. Provides the base reduction in the next
biennium.

5 University of Minnesota . Reduces general appropriations \$5.1 million each year and prohibits tuition
increases above what is planned. Appropriates funding for the school of public health related to health care
reform – \$200,000 for modeling of reforms and \$300,000 for an economic analysis. Provides the base
reduction in the next biennium.

6 Resident student; state grant. Makes the spouses and dependents of resident veterans eligible for the state
grant program.

7 Surplus state grant appropriation. Makes a requirement to use surplus appropriations for the state grant
program to increase the living and miscellaneous allowance set in law a permanent requirement.

8 Achieve Scholarship Program. Makes clarifying and technical changes to the Achieve scholarship program
enacted in 2007 that provides \$1,200 onetime scholarships to eligible high school graduates. Also clarifies
that awards are subject to appropriations.

9 TEACH program administration. Allows five percent of the appropriation for the TEACH program,
beginning in fiscal year 2008, to be used by the nonprofit for administration. Money was appropriated in 2007
for grants under this program.

10 Power of You Program. Establishes in statute a tuition assistance program at three MnSCU institutions
(Minneapolis Community and Technical College , St. Paul College , and Metropolitan State University) for
eligible high school graduates of St. Paul and Minneapolis public schools who meet enrollment, participation
and income eligibility criteria. Requires participating institutions to disseminate information on the program to
other MnSCU institutions. Provides an immediate effective date.

11 Matching grant qualification; Minnesota college savings plan. Permanently shifts the payment date for the
matching grant to July 1 from June 30 beginning with payments due July 1, 2009 .

12 Eligibility; peace officer survivor education benefit. Makes clarifying changes to the grant program and
expands the age eligibility to 30 years for a dependent child who serves in the military.

13 State grant funding. Increases the living and miscellaneous allowance in fiscal year 2009 to \$6,200 from
\$5,900.

14 Transfers. Includes the Indian scholarship program in the existing authority that the Office of Higher
Education has to transfer balances between the financial aid programs it administers.

15 Accountability U of M. Clarifies that the hold back of state appropriations subject to meeting certain
accountability goals is two percent of the second year appropriation.

16 University of Minnesota and Mayo partnership report. Adds a requirement that the partnership must also
report to the House chair of bioscience and emerging technologies committee and specifies the information
that must be included in the report.

17 Global modeling of health care reforms. Directs the University of Minnesota school of public health to
develop a model to assess the impacts of health care reform proposals. The model must be objective, permit
policy analysis, evaluate interactions, identify risks and allow for adjustments. The model is funded with an
appropriation in this bill and has an immediate effective date.

18 Economic analysis of health care reform plans. Directs the University of Minnesota school of public health to
conduct an economic analysis of health care reform proposals including any passed in the 2008 legislative
session. The study must include an impact analysis on specific factors listed in this section. The analysis
must be submitted to the legislature by February 1, 2010 . This section has an immediate effective date.

Article 5: Environment and Natural Resources

Janelle Taylor (651-296-5039)

1 Summary of appropriations. Summarizes the total supplemental environment and natural resources
2 appropriations and reductions for fiscal years 2008 and 2009.
3 Appropriations. Technical.
Pollution Control Agency. Provides the total supplemental appropriations and reductions for the Pollution
Control Agency, including:

- an overall general fund reduction for the agency of \$623,000 in fiscal year 2009 for administrative activities; requires this reduction to be made in a way that minimizes the effects on program activities;
- provides an appropriation of \$134,000 from the environmental fund in fiscal year 2009 for the adoption of the California emission standards;
- provides an appropriation of \$20,000 from the general fund in fiscal year 2009 for three solid waste reports.
- provides an appropriation of \$100,000 for solid waste landfill siting rulemaking.

4 Natural resources.

Subd. 1. Total appropriation. Provides the total supplemental appropriations and reductions by fund for the Department of Natural Resources.

Subd. 2. Lands and minerals. Provides a general fund reduction of \$200,000 in fiscal year 2009 in the lands and minerals division's administration budget and appropriates \$200,000 from the natural resources fund to cover the costs of administering and monitoring mining permits and requires the commissioner to report to the legislature on an application fee for permits to mine to cover the costs associated with issuing and monitoring the permits for the next biennium.

Provides general fund reductions in fiscal year 2009 of \$124,000 for iron ore cooperative agreements and \$101,000 for minerals diversification;

Subd. 3. Water resource management. Provides the following general fund reductions in fiscal year 2009: \$38,000 from the modification of groundwater reporting requirements; \$98,000 from salary savings resulting from delayed hiring related to impaired waters; \$30,000 from grants associated with the Red River mediation agreement, and \$22,000 from ring dikes.

Requires the Mississippi Headwater Board to submit a report to the legislature on how it will meet its statutory responsibilities.

Subd. 4. Forest management. Provides an appropriation of \$250,000 from the general fund in fiscal year 2009; \$53,000 is for a grant to the Forest Resources Council for a study on forest fragmentation and parcelization, and \$197,000 is for the Interagency Information Cooperative.

Subd. 5. Parks and recreation management. Switches \$220,000 of the parks and recreation management budget from the general fund to the natural resources fund. Appropriates \$50,000 from the natural resources fund in fiscal year 2008 for grants to local units of government to meet new public pool requirements.

Subd. 6. Trails and waterways. Provides a \$300,000 appropriation from the all-terrain vehicle account in the natural resources fund for monitoring and maintenance of new trails. Provides a \$700,000 appropriation from the natural resources fund for the development of the Virginia site and connecting trails for the Iron Range Off-Highway Vehicle Recreation Area. Provides a \$100,000

appropriation from the natural resources fund for the Moose Trail. Provides a \$50,000 general fund reduction in fiscal year 2009 for nonmotorized trails. Provides a \$35,000 appropriation from the all-terrain vehicle account in the natural resources fund for all-terrain vehicle grants-in-aid.

Subd. 7. Fish and wildlife management. Provides fiscal year 2009 general fund reductions of: \$329,000 for the fish and wildlife program; \$46,000 for the Minnesota Shooting Sports Education Center; and \$52,000 for licensing. Provides \$123,000 from the game and fish fund in fiscal year 2008 and \$246,000 thereafter for fish virus surveillance activities and \$21,000 from the game and fish fund to be added to the base for the aquatic farm permit program. Provides \$300,000 from a previous appropriation from the heritage enhancement account in the game and fish fund for the study and design of shooting sports facilities at the Vermillion Highlands WMA and appropriates \$300,000 from the game and fish fund to replace the funds.

Subd. 8. Ecological Services. Provides a \$230,000 reduction from the appropriation for impaired waters. Requires \$594,000 to be transferred from the water recreation account in the natural resources fund for expenses related to invasive species.

Subd. 9. Enforcement. Provides a general fund reduction of \$543,000 in the enforcement budget for fiscal year 2009. Provides \$383,000 from the water recreation account in the natural resources fund for enforcement operations and \$185,000 from the all-terrain vehicle account in the natural resources fund for grants for all-terrain vehicle enforcement and public education activities.

Subd. 10. Operations support. Provides a \$755,000 reduction in the operations support budget for fiscal year 2009 and provides a base reduction of \$255,000 in fiscal years 2010 and 2011.

5 Board of Water and Soil Resources. Provides general fund appropriations and reductions in fiscal year 2009 for the Board of Water and Soil Resources, including a:

- \$200,000 reduction for county cooperative weed management programs;
- \$47,000 reduction for cost-sharing contracts to establish native buffers;
- \$68,000 reduction for the drainage assistance program;
- \$450,000 appropriation for projects included within the DR-1717 flood area; and
- \$50,000 appropriation for the Star Lake and River Program.

Requires board appropriations used to restore prairie to be done using best management practices for native prairie restorations as defined in Minnesota Statutes, section 84.02, subdivision 2.

6 Metropolitan Council. Provides no net change in the budget for metropolitan regional parks by switching \$300,000 of the general fund appropriation in fiscal year 2009 to a natural resources fund appropriation. Provides \$300,000 from the general fund for the Como Zoo.

7 Transfers in. Requires the following transfers to the general fund: the unappropriated balance from the Minnesota future resources (approximately \$103,000); and \$1,400,000 from the stream protection account.
8 Aquatic farming license. Amends § 17.4988, subdivision 2. Modifies the aquatic farming license fee by making the existing fee a base fee and requiring the commissioner to establish an additional fee based on the acreage of the operation.

9 Inspection fees. Amends § 17.4988, subdivision 3. Modifies the aquatic farm inspection fees by eliminating the statutory amounts and allowing the commissioner to establish the fees in order to cover the costs of the program and publish the fees in the State Register.

10 Parks and trails fund. Adds § 85.53. Establishes the parks and trails fund and requires the money earned by the fund to be credited to the fund. States that the section is effective if the constitutional amendment proposed in Laws 2008, chapter 151 is adopted by the voters.

11 Mining administration account. Amends § 93.481 by adding subdivision 7. Establishes a mining administration account within the natural resources fund for the mining administration fees collected and

makes the account available for appropriation to cover the costs of administering and monitoring the permits. Expedited exchanges of land involving the state and governmental subdivisions of the state. Adds § 94.3495.

Subd. 1. Purpose and scope. States that the purpose of this section is to expedite the exchange of public land ownership and that the section applies to exchanges of land between the state and a governmental subdivision of the state.

Subd. 2. Classes of land; definitions. Classifies the lands that may be involved in expedited land exchanges under this section into three classes:

(1) Class 1 land, which includes Class A land, except for school trust lands and university land granted by acts of Congress, (Class A land includes all land owned by the state and controlled or administered by the DNR);

(2) Class 2 land, which includes Class B land (tax-forfeited land); and

(3) Class 3 land, which includes all land owned in fee by a governmental subdivision of the state.

Subd. 3. Valuation of land. Paragraph (a) states that all land valuations shall be determined by: the commissioner for the exchange of Class 1 land for Class 2 or 3 land; and by the county board for the exchange of Class 2 land for Class 3 land. Allows the parties of a land exchange to have the land appraised, use the valuation process for minimal value acquisitions provided under § 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker. Requires the merchantable timber to be determined and considered in the valuation of lands.

Paragraph (b) requires lands exchanged under this section to be only for lands of at least “substantially equal value” as defined in § 94.343, subdivision 3, paragraph (b), and states that no payment is due if the lands are of substantially equal value but are not the same value.

Subd. 4. Title. Requires that the title to land be examined as necessary to determine that the title is good and allows the parties to the exchange to utilize title insurance.

Subd. 5. Approval by Land Exchange Board. Requires all land exchanges under this section to receive unanimous approval of the Land Exchange Board.

Subd. 6. Conveyance. Requires the conveyance of Class 1 land to be made by deed executed by the commissioner of natural resources. Requires the conveyance of Class 2 land to be made by deed executed by the commissioner of revenue. Requires the conveyance of Class 3 land to be made by deed executed by the governing body. Establishes procedures for delivering the deeds in various situations and requires the deeds to be recorded in the county where the lands lie.

Subd. 7. Reversionary interest; mineral and water power rights and other reservations. Requires the deed for any land exchanged under this section to include a reverter that provides that the land automatically reverts back to the conveying governmental unit if the land is sold or otherwise transferred without prior written approval within 40 years of the conveyance. States that Class 1 lands are subject to the reservation of mineral, water, and other rights and easements directed by the commissioner. States that Class 2 lands are subject to the reservation of the same rights and easements as required by the sale of tax-forfeited lands and others determined by the county board and approved by the commissioner. States that Class 3 lands are subject to the reservation of the mineral rights.

Subd. 8. Land status. States that land received in exchange for Class 1 land is subject to the same trust and status as the land given in the exchange. States that land received in exchange for Class 2 land is subject to a trust in favor of the government subdivision where it lies and all laws related to tax-forfeited land. States that land received in exchange for Class 3 land has the same status as the land given in exchange.

- 13 Outdoor heritage fund. Adds § 97A.058. Establishes the outdoor heritage fund and requires the money earned
by the fund to be credited to the fund. States that the section is effective if the constitutional amendment
proposed in Laws 2008, chapter 151 is adopted by the voters.
- 14 Private fish hatcheries. Amends § 97A.475, subdivision 29. Modifies the private fish hatchery license fee by
making the existing fee a base fee and requiring the commissioner to establish an additional fee based on the
acreage of the operation.
- 15 Groundwater policy. Amends § 103A.204. Modifies the groundwater responsibilities of the Environmental
Quality Board by modifying reporting requirements.
- 16 Water assessments and reports. Amends § 103A.43. Consolidates groundwater reporting requirement of the
Environmental Quality Board, the Pollution Control Agency, and the Department of Natural Resources.
- 17 Water planning. Amends § 103B.151, subdivision 1. Modifies water planning requirements of the
Environmental Quality Board.
- 18 Star lakes. Adds § 103B.701.

Subd. 1. Definition. Defines “lake association” for purposes of the program.

Subd. 2. Application. Paragraph (a) allows a lake association to apply for designation as a star lake
or river to the Star Lake Board and requires applicants to include a copy of a management plan for the
lake or river.

Paragraph (b) requires the Star Lake Board to determine whether or not a lake or river will be
designated as a star lake or river and states that the designation is effective the day following that
designation determination. Requires the board to publish its designation decision and the effective
date in the State Register.

Paragraph (c) states that a star lake or river is effective for five years after the designation, or when the
board finds that the lake association is not fulfilling the requirements of this section or the lake or
river’s management plan, whichever is earlier.

Paragraph (d) allows a lake association to apply to continue the star lake or river designation within six
months of the expiration date of the designation.

Subd. 3. Eligibility. Requires lake associations applying to the program to (1) develop and update a
management plan as provided in subdivision 4; (2) maintain its membership or participation of at least
50 percent of the private shoreland owners; (3) participate in the Pollution Control Agency’s citizen
water quality monitoring program; and (4) meet at least annually with to review the plan and notify
appropriate state agencies and local government units in the development and monitoring of the
management plan.

Subd. 4. Star lake or river management plan. Requires a star lake or river management plan to have
a baseline of the current condition of the lake or river and plans for addressing a number of issues,
including: increasing native vegetation; aquatic invasive species; maintaining a diverse fishery; and
public involvement. Requires these plans to be updated within five years of adoption by the lake
association.

Subd. 5. State resources. Allows state agencies to consider star lake or river designation in the
allocation of financial and staff resources.

- 19 Star Lake Board . Adds § 103B.702.

Subd. 1. Establishment. Paragraph (a) establishes the Star Lake Board as a nonprofit corporation
and requires the board to promote and designate star lakes and rivers in the state.

Paragraph (b) requires the board to work with private and public entities to leverage available
resources. Allows the board to assist lake associations in finding technical and financial assistance and
make recommendations to state agencies on the most effective way to deliver such assistance. Allows

the board, when money is available, to provide direct financial assistance, if it is not otherwise available, for completing a star lake or river management plan for lake associations that do not have an existing one, and addressing specific issues to achieve or maintain the goals of a management plan for designated star lakes or rivers.

Paragraph (c) establishes the membership of the board.

Paragraph (d) requires the board to submit a report to the legislature each odd-numbered year on activities for which money has or will be spent for the current biennium, applications for designation, and the star lakes or rivers designated by January 15.

Subd. 2. Conflict of interest. States that a board member shall avoid any potential conflict of interest and may not participate in or vote on a decision of the board relating to an organization in which the member has either a direct or indirect personal financial interest.

Subd. 3. Staff; contracts. Allows the board to hire staff to carry out its activities.

Subd. 4. Bylaws. Requires the board to adopt bylaws necessary to conduct its business and publish its bylaws and amendments in the State Register.

Subd. 5. Place of business. Requires the board to locate and maintain its place of business within the state.

Subd. 6. Chair. Requires the board to elect a chair and other officers from among its members.

Subd. 7. Meetings. Requires the board to meet at least twice a year and allows additional meetings upon notice according to the board's bylaws. States that the board's meetings are subject to the state's open meeting law.

Subd. 8. Funds. Allows the board to accept and use gifts, grants or other contributions from any source. Allows the board, unless restricted by the terms of a gift, to sell, exchange, or otherwise dispose of and invest or reinvest the money or other property given to it. Requires that the principal and interest from these funds and all other revenues received from nonstate sources be placed in the depositories the board determines and are subject to expenditure for the board's purposes.

Subd. 9. Accounts; audits. Allows the board to establish funds and accounts. Requires the board to provide and pay for an independent annual audit of its official books and records by the legislative auditor and file a copy of the audit with the secretary of state.

- 20 Water use permit processing fee. Amends § 103G.271, subdivision 6. Increases water use permit processing fees.
- 21 Water supply plans; demand reduction. Amends § 103G.291, subdivision 3. Requires public water suppliers serving more than 1,000 people to have a conservation rate structure before requesting approval from the Department of Health to construct a new public supply well or increase in volume unless the supplier does not have the proper measuring equipment to track the amount of water used.
- 22 Conservation rate structure required. Amends § 103G.291 by adding subdivision 4. Establishes a definition of a "conservation rate structure" and requires public water suppliers serving more than 1,000 people in the metropolitan area to adopt a conservation rate structure by January 1, 2010, and those in the rest of the state by January 1, 2013. Exempts public water suppliers without the proper measuring equipment to track the amount of water used from these requirements.
- 23 Fees. Amends § 103G.615, subdivision 2. Eliminates the cap on the fee for aquatic plant management permits and eliminates the statutory fee of \$35 per parcel for permits to control rooted aquatic plants. Prohibits a rule setting these fees from taking effect until 45 legislative days after it has been reported to the legislature.
- 24 Clean water fund. Adds § 114D.50. Establishes the clean water fund and requires the money earned by the fund to be credited to the fund. States that the section is effective if the constitutional amendment proposed in Laws 2008, chapter 151 is adopted by the voters.

25 Rules and standards. Amends § 116.07, subdivision 4. Requires the Pollution Control Agency to adopt rules for the disposal of solid waste that include site-specific criteria based on the area's sensitivity to groundwater contamination, and modifications to financial assurance requirements. Prohibits the agency from issuing permits for new solid waste facilities until the agency adopts the site-specific criteria except under certain circumstances, including a permit for disposal of minerals.

26 Arts and cultural heritage fund. Adds § 129D.17. Establishes the arts and cultural heritage fund and requires the money earned by the fund to be credited to the fund. States that the section is effective if the constitutional amendment proposed in Laws 2008, chapter 151 is adopted by the voters.

27 Star lake or river signs. Adds § 173.0855.

Subd. 1. Authority to erect. Paragraph (a) allows a county, statutory or home rule charter city, or town that contains a designated star lake or river to request that the Department of Transportation erect a star lake or river sign. Allows one sign to be erected at each approach to a lake or river access area within the right-of-way of an interstate or other highway that passes over a lake or river in greater Minnesota .

Paragraph (b) allows an official lake or river sign on the right-of-way of an interstate or other highway to be replaced with by the Department of Transportation.

Subd. 2. Sign standards. Requires the Department of Transportation to design and manufacture the star lake and river signs in compliance with other federal and state highway sign standards.

28 Reports to the legislature. Amends § 473.1565, subdivision 3. Consolidates the legislative reports on water planning prepared by the Metropolitan Council within the "Minnesota Water Plan" which is prepared every ten years and allows five year interim reports to be provided as necessary.

29 Forest management. Amends Laws 2007, chapter 57, article 1, section 4, subdivision 4. Modifies the use of certain forestry related appropriations so that they may be used more generally for forest management activities.

30 Trails and waterways management. Amends Laws 2007, chapter 57, article 1, section 4, subdivision 6. Allows any portion of the appropriation for grants to local units of governments for trails not used in the first year to be available in the second year and extends the availability of financing for projects receiving federal grants to equal the period of the federal grant.

31 Mining administrative fee. Requires the commissioner of natural resources to charge a fee, beginning in 2008 payable by June 30 of each year, to companies managing taconite mining or processing operations and establishes a fee schedule for such mines. The fee is required until the commissioner adopts a new application fee schedule for permits to mine ferrous metals.

States that the section is effective the day following final enactment and applies to companies holding or applying for a permit to mine under Minnesota Statutes, section 93.481, during the 2007 calendar year.

32 Department of Natural Resources rulemaking required; structures in public waters. Requires the commissioner of natural resources to update rules on and permit requirements for structures allowed in public waters by January 15, 2010 . States that the department's general permit no. 2008-0401 (which authorized certain structures) expires upon the effective date of the rules.

33 First meeting; deadline for appointments. Requires those responsible for appointing members to the Star Lake Board to do so by January 15, 2009 except for those to be appointed by members of the board, which must be appointed within 30 days of the first meeting of the board. Requires the member designated by the Board of Water and Soil Resources to convene the first meeting no later than February 15, 2009 .

34 Solid waste disposal rules report; legislative review. Requires the Pollution Control Agency to report to the legislature the proposed rules on solid waste disposal that prohibit the disposal of solid waste in areas sensitive to groundwater contamination by January 15, 2009 .

35 Industrial and construction and demolition landfill working group. Requires the commissioner of the Pollution Control Agency to convene a working group to develop, evaluate and recommend policies and legislation regarding the management of industrial solid waste and construction and demolition debris and requires the working group to submit a report to the legislature by January 15, 2009 .

Article 6: Energy, Commerce, Utilities

Bob Eleff (651-296-8961)

- 1 Summary of appropriations. Shows general fund reductions of \$2.57 million in 2008 and \$1.236 million in 2009.
2 Appropriations. Explains meanings of terms used.
3 Commerce

Subd. 1. Total appropriation

Subd. 2. Administration.

Base reduction of \$46,000 in Office of Energy Security in 2009

Base increase of \$130,000 in staffing for unclaimed property in 2009

Subd. 3. Market assurance. Base reduction to “Do Not Call” program of \$270,000 each year.

Subd. 4. Energy and telecommunications.

\$300,000 in 2008 for solar rebate program

\$500,000 from the Renewable Development Fund for algae-to-biofuels research at UM and Metro Council

Allows Renewable Development Fund monies appropriated in 2007 to be used for a grant to a cellulosic ethanol facility using paper mill sludge

Up to \$200,000 from funds assessed on utilities under the Conservation Improvement Program in 2009 for the Green Jobs Task Force report and activities

From funds appropriated in 2009 from the special revenue fund:

- o Up to \$200,000 for the Green Jobs Task Force report and activities
- o \$100,000 for City of St. Paul to evaluate Ford plant and employees
- o \$250,000 for research for Green Manufacturing Initiative

\$1.25 million reduction in 2009 for E-85 cost share grants

\$200,000 in 2009 for grant to study development of a low-carbon fuel standard in Minnesota to be completed by February 1, 2009

\$2.6 million reduction in FY2008 appropriation for renewable hydrogen initiative grants

Subd. 5. Transfers

(a) Insurance Fraud Prevention Account. Requires commissioner of finance to transfer \$1.5 million from unexpended balance of this account to the general fund by July 31, 2008 , and an

additional \$1.5 million between June 15 and 30 of 2009.

(b) Real Estate Education, Research and Recovery Fund. Requires commissioner of finance to transfer \$850,000 from unexpended balance of this account to the general fund by July 31, 2008 .

(c) Consumer Education Account. Requires commissioner of finance to transfer \$100,000 from unexpended balance of this account to the general fund by July 31, 2008 .

(d) Automobile Theft Prevention Account. Requires commissioner of finance to transfer \$230,000 from unexpended balance of this account to the general fund by July 31, 2008 .

(e) Assigned Risk Plan. Requires commissioner of finance to transfer \$10 million in assts of the workers' compensation risk plan to the general fund by June 30, 2009 .

4 Public Utilities Commission. Requires the commissioner of finance to transfer \$4 million from the telephone assistance fund to the general fund by July 31, 2008 .

5 [80A.65] Subd. 1. Registration or notice filing fee. Strikes language requiring the administrator to refund total fees paid on mutual funds in excess of \$25.6 million.

6 [216C.41] Subd. 3. Eligibility window. Extends period during which payment of renewable energy payment incentives may be initiated to an owner by two years, to December 31, 2011 .

7 [216C.41] Subd. 4. Payment period. Extends end date for paying renewable energy payment incentives to an owner by two years, to December 31, 2021 .

8 [325E.313] No-call list.

Subd. 2. Operation and maintenance of list. Strikes language that notice given by a subscriber is effective for four years unless revoked.

Subd. 3. Use of federal list. Strikes language requiring the commissioner of commerce to include Minnesota subscribers on the national do-not call list on the state list and to send subscribers on the state list to the Federal Trade Commission for inclusion on the national list. Allows the department to consider the FTC as its agent for establishment and maintenance of a list.

9 [325E.314] Fees; acquisition and use of list. Strikes language requiring telephone solicitors to pay a fee to the commissioner of commerce for access to the state "Do Not Call" list. Allows a person required by law to purchase the national list to meet the requirement by showing proof of purchase of Minnesota numbers from the national list.

10 [609.531] Subd. 1. Definitions. Adds the Department of Commerce's Division of Insurance Fraud Prevention to the list of agencies that can seize property.

11 **Report.** Requires each state agency (except the IRRRB) with loan and grant programs to assess their potential to advance the growth of the green economy. Agencies must develop plans to integrate program with potential to promote growth of the green economy and report to the commissioner of commerce (by January 15, 2008) who must report to the legislature (by November 15, 2009).

12 Green jobs task force.

Subd. 1. Task Force. Establishes a Green Jobs Task Force to advise the governor and legislature and to develop a statewide action plan. Specifies membership of the task force, including three legislator from each body, seven representatives from state agencies and educational institutions, and 11 public members.

Subd. 2. Duties. Requires the task force to develop and present a statewide plan to optimize the growth of the green economy with legislation and budget requests. The plan must include an analysis of business opportunities created by those policies and corresponding labor force needs, and an inventory of business and labor resources available to respond to the opportunities identified. The report must be submitted to the legislature by January 15, 2009 .

Article 7: Agriculture

Colbey Sullivan (651-296-5047)

1 Summary of appropriations.

2 Totals: Reduction of \$200,000 in FY08. Appropriates \$1,438,000 in FY09.
Appropriations.

3 Totals: Reduction of \$200,000 in FY08. Appropriates \$1,438,000 in FY09.
Agriculture.

\$302,000 is a reduction in 2009 consisting of decreases in administrative services in Saint Paul and agricultural marketing, as well as resources saved due to efficiencies from the merger of two department divisions;

\$1,130,000 is a onetime appropriation in 2009 for a new livestock investment grant program (section 5);

\$200,000 is a reduction in 2008 due to the cancellation of a prior appropriation for a grant to the Elk River Economic Development Authority for a bio-energy project;

\$50,000 is a onetime appropriation in 2009 for a grant to the Washington Center for Internships and Academic Seminars for an agricultural renewable energy internship pilot program; and

4 \$310,000 is a reduction in 2009 due to a onetime decrease in the appropriation for ethanol producer payments that coincides with a policy provision (section 6) that disallows further deficiency payments to the owners of an ethanol plant that no longer produces ethanol.
Board of Animal Health (BAH).

No appropriation.

5 Directs the BAH to use a portion of a prior appropriation for a \$12,000 onetime grant to a beef cattle producer for bovine-TB-related financial losses.
Livestock investment grant program.

Subd. 1. Establishment . Authorizes the MDA to award a grant to a livestock producer who makes a qualifying investment in his or her operation. The grant is equal to ten percent of the first \$500,000 of investment, with a required minimum investment of \$4,000. A producer is eligible for more than one grant, as long as the total does not exceed \$50,000.

Subd. 2. Definitions. Defines key terms and provides a list of eligible investments.

Subd. 3. Eligibility. Lists the four criteria a producer must satisfy in order to qualify for a grant.

6 Subd. 4. Process. Directs the MDA to develop, in consultation with the Legislature, criteria for ranking grant applicants. If eligible applications are received after funds have been spent, the MDA must create a waiting list and give those applicants priority when additional funding is available.
Ethanol producer payments. Amends the ethanol producer payment program law by prohibiting deficiency payments to an entity that no longer produces ethanol at its original locale or to an assignee of such an entity.

Article 8: Veterans Affairs

Jim Cleary (651-296-5053)

1 Summary of Appropriations: Veterans Affairs. Totals:

FY08: General Fund reduction of \$5,250,000

FY09: General Fund appropriation of \$1,195,000

Special Revenue Fund reduction of \$338,000

2 Appropriations (standard boilerplate language)

3 Appropriations by Item.

\$500,000 is a onetime appropriation for grants to County Veteran Service Offices (under same 2007 program);

\$3,000,000 for the State Soldiers Assistance Program; of this amount, \$1,500,000 is added to the base; available until spent;

\$1,000,000 for casework services for veterans; must solicit competitive bids; the services should be community-based, available statewide, and include in-home counseling;

\$220,000 for the department's LinkVET phone-line services; must combine LinkVET with the higher education call center for veterans;

\$600,000 for the Minnesota GI Bill program; the base is increased by \$800,000 for fiscal years 2010 and 2011;

\$5,200,000 and \$4,950,000 are reductions in fiscal years 2008 and 2009 from the Minnesota GI Bill program created and funded by the 2007 Legislature; the base is reduced by \$4,000,000 in each year;

\$250,000 for a grant to the Minnesota Assistance Council for Veterans (MACV) for serving homeless veterans and their families;

\$250,000 for the Veterans Claims Office for outreach and training and to add veterans service officer coordinator positions, including one to assist female veterans;

\$100,000 is a onetime appropriation for a grant to the Minnesota Ambulance Association to implement a Veterans Paramedic Apprenticeship Program for reintegrating returning Minnesota military medics;

\$25,000 is a onetime appropriation for a pilot program for Peer-to-Peer Counseling among combat veterans; report required;

\$338,000 is a reduction from the special revenue fund appropriation of the Support our Troops License Plate revenues, which is replaced in the policy bill by a standing appropriation split equally between veterans affairs and military affairs; the base appropriation is eliminated thereafter.

\$200,000 is a onetime appropriation for:

1) a strategic planning study for the state veterans homes, with special emphasis on exploring alternative models for the Minneapolis veterans home;

2) a study of the feasibility of partnering for home-based services for veterans with nonprofit and private

sector social service providers and healthcare delivery organizations; and

3) designing a treatment program for veterans with traumatic brain injuries within the state veterans homes.

\$300,000 is a reduction in 2009 for the Veterans Homes Board. The base appropriation for fiscal years 2010 and 2011 is reduced by \$300,000 in each year. This reduction is made possible by the enhanced efficiency in administration of the homes associated with the transfer of governing authority from the Veterans Homes Board to the commissioner of veterans affairs.

\$300,000 is a onetime appropriation for 2009 for improvements to the Medication Distribution System in the Minnesota veterans homes.

Subd. 2. Reports required. By January 15, 2009, a report to the legislature is required regarding activities and expenditures in programs receiving an appropriation in this article.

4 World War II memorial donation match account. Money remaining in the account after the state share of the construction costs of the World War II memorial is appropriated to the commissioner of veterans affairs for services and programs for veterans and their families

5 Support our Troops Account in Special Revenue Fund. Money in the account is appropriated in equal shares to the Department of Military Affairs and the Department of Veterans Affairs.

6 Support Our Troops" Account: Authorized Uses Established. Funds may be used for: (1) grants to veterans service organizations; and (2) outreach to underserved veterans.

7 **Minnesota GI Bill: Cost of Attendance Multiplier Increased from 1.1 to 1.2 .**

Increasing the multiplier increases the targeted benefit amount for a qualified veteran. Another provision facilitates administration by permitting use of military medals as an indicator of eligibility.

8 **Minnesota GI Bill: Eligibility Broadened.** Would no longer require that the veteran have been a resident at the time, or within 6 months, of entering the military. Requirement that the person be a Minnesota resident while receiving the benefit remains.

9 **Minnesota GI Bill: Benefit Amount Increased.** Increases the maximum annual benefit amount from \$2,000 to \$3,000 annually. Other limits remain at \$1,000 per semester, and \$10,000 lifetime. The increase in the annual amount facilitates attendance at summer school.

10 **Minnesota GI Bill: Administration.** \$100,000 of the \$600,000 total appropriation for the program (or 17%) may be used for administration of the program. Previously, up to 3% of \$12 million was dedicated to this purpose.

Article 9: Military Affairs

Jim Cleary (651-296-5053)

1 Summary of Appropriations: Military Affairs

Totals: Fiscal year 2009

General Fund appropriation of \$405,000

Special Revenue Fund reduction of \$338,000

2 Appropriations (standard language)

3

Appropriations by item

\$75,000 is for state enhancement of the Employer Support of the Guard and Reserve Program (ESGR). The funding base is \$35,000 each year in fiscal years 2010 and 2011.

\$135,000 is for \$1,000 biannual bonus payments to National Guard medics who meet recertification requirements during the fiscal year .

\$180,000 is to add "State Navigator" positions to coordinate state agency programs and activities to support and assist soldiers and their families during and after the reintegration process.

\$338,000 is a reduction in 2009 from the special revenue fund appropriation from the Support our Troops License Plate Account.

\$15,000 is a onetime appropriation in 2009 is for a study of the National Guard Youth Challenge Program.

4 Support our troops license plate account: authorized uses. Adds as an authorized use for Military Affairs to make grants to family readiness groups chartered by the adjutant general.

5, 6 Timber sales at Camp Ripley . Revenues from timber sales from Camp Ripley are redirected from the general fund to the Department of Military Affairs for timber management at Camp Ripley .

7 Employer support for guard and reserves. Authorizes the Adjutant General to establish a program for the enhancement of the Employer Support for the Guard and Reserves Program (ESGR)

8 Bonus program established for recertified National Guard medics. Authorizes the Adjutant General to establish a program to award a one-time \$1,000 bonus for each medic who recertifies.

9 Spouse authorized to use National Guard tuition reimbursement benefits. Spouse may use up to 12 semester hours annually of a National Guard member’s unused benefits, if the member has completed 8 or more years of service.

10 Starbase study. The Guard must contract with the Wilder Foundation to assess the academic achievement impact of the National Guard’s Starbase program for inner city youth.

11 Youth challenge program study. The Guard must assess the feasibility of accepting federal matching funds for starting a Youth Challenge Program in Minnesota . The program involves mentoring recent high school dropouts to enable them to complete their diplomas and enter the military.

Article 10: Economic Development

Anita Neumann (651-296-5056)

1 Summary of appropriations. Indicates total appropriation increases of \$2,220,000 from the level in Chapter 135.

2 Jobs and economic development appropriations and reductions. Provides that additions and reductions in appropriations are from amounts in the 2007 omnibus bill, chapter 135.

3 Employment and economic development appropriations. Appropriates money for:

- Nanotechnology focused economic design project;

- Office of Science and Technology;
- Military reservist economic injury loans;
- Redevelopment grants;
- Global market;
- Hennepin-Carver Workforce Investment Board;
- HIRED; and
- Lifetrack Resources Rochester .

Cancels funds from the following:

- Foreign trade zone authority; and
- Jobs Skills Partnership.

Transfers money from the Minnesota investment revolving loan account, workforce development fund and the methamphetamine lab cleanup revolving fund to the general fund.

Provides for a \$1 million grant and \$1 million loan from the 21st century minerals fund.

- 4 Labor and industry appropriations. Transfers \$10 million from the workers compensation special fund and \$1 million from the construction code fund to the general fund.
- 5 Explore Minnesota tourism. Appropriates \$2,150,000 in fiscal year 2009 to the Minnesota Film and TV board for the film jobs production program and transfers \$500,000 from the special marketing account to the board.
- 6 Housing finance. Reduces the fiscal year 2009 budget by \$200,000.
- 7 Minnesota boxing commission appropriations. Appropriates \$80,000.
- 8 Minnesota Historical Society. Appropriates \$575,000 in fiscal year 2008 for the Minnesota Sesquicentennial Commission.
- 9 Military reservist economic injury loans. Authorizes the commissioner of employment and economic development to make onetime, interest free loans of up to \$20,000 each to eligible businesses impacted by a call to active service of at least 180 days by an essential employee.
- 10 Partnership program. Requires each educational institution to provide for dissemination of summary results of a grant-funded project as specified.
- 11 Use of funds. Authorizes the Job Skills Partnership Board to use some of its funds for information collection and dissemination to plan for the statewide distribution of the results of grant-funded projects.
- 12 Use of workforce development funds. Eliminates a reference to the Hire Education loan program administered by the Job Skills Partnership Board as an eligible use of workforce development funds.
- 13 Distance-work grants. Eliminates Hire Education loans from being packaged with grants that promote distance work projects in rural areas through technology.
- 14 Dislocated workers. Adds a veteran discharged or released from active duty under honorable conditions within the last 36 months and who is unemployed or under employed to the definition of dislocated worker.
- 15 Disbursement of special assessment funds. Eliminates a reference to the Hire Education loan program administered by the Job Skills Partnership Board as an eligible use of workforce development funds.
- 16 Film jobs production program. Authorizes the Minnesota Film and TV Board to make reimbursements of up to 20 percent of film production costs for films that incur production costs in excess of \$5,000,000 in Minnesota within a 12-month period.
- 17 Payments that delay benefits. Adds vacation pay paid from a vacation fund administered by a union or a third party not under the control of the employer and the first \$5,000 of severance pay, bonus, pay, sick pay, and other payments to the list of payments not offset from unemployment benefits.

18 Unemployment insurance worker initiative.

Subd. 1. Purpose. Creates the unemployment insurance workers initiative to increase the number of staff at Minnesota workforce development centers to provide assistance to unemployed workers.

Subd. 2. Tax reduction. Reduces the base unemployment tax by .01 percent.

Subd. 3. Fee suspension. Suspends the workforce development fund special assessment of .10 percent between January 1, 2009 , and December 31, 2011 .

Subd. 4. Workforce enhancement fee. Imposes a workforce enhancement fee of .11 percent on taxable wages.

Subd. 5. Use of funds. Provides for deposit of .01 percent of taxable wages collected under this section to be deposited in the unemployed insurance worker initiative account. Remaining funds are to be deposited in the workforce development fund.

Subd. 6. Account. Creates the unemployment insurance worker initiative account as a special revenue fund account and appropriates all funds in the account to the commissioner to increase the amount of staff in workforce development centers to provide assistance and support to unemployed workers. Staffing priority is to be given to centers outside of the seven-county metropolitan area. Unexpended funds in the account revert to the UI trust fund after December 31, 2011 .

Subd. 7. Report. Requires the commissioner to report to the legislature every two years beginning in 2010 on workforce center staff activities to those seeking assistance with unemployment insurance.

Subd. 8. Sunset. Sunsets everything except the reporting requirement in this section on December 31, 2011 .

Specifies that the section is effective January 1, 2009 .

19 Creation of committee; purpose. Provides that the committee advises the board of the IRRRB and not the commissioner on providing higher education programs. Also specifies that the advising be done in cooperation with the University of Minnesota , the Minnesota State Colleges and Universities, and private colleges in the taconite assistance area.

Effective day following final enactment.

20 Iron Range Higher Education Committee; membership. Changes the membership of the Iron Range Higher Education Committee by eliminating the commissioner of the IRRRB.

Effective day following final enactment.

21 Taconite environmental protection fund; administration. Requires that each year no less than one-half of the amounts deposited in the taconite environmental protection fund be used for public works projects, including construction of sewer and water systems. Allows the IRRRB with a majority vote of the members to waive this expenditure requirement.

Effective for distributions beginning in 2009.

22 Taconite economic development fund. Delays distributions from the taconite economic development fund for the taconite and direct reduced ore producers until 2014.

23 Iron Range revitalization account. Deposits distributions from the taconite economic development fund that would otherwise have gone to producers into a new revitalization account for distributions in 2009 through 2013. The money in the account would be available for public facility improvements, community and economic development, renewable energy and diversification of the Iron Range economy.

24 Iron Range higher education account. Increases the amount distributed to the Iron Range higher education

account from two cents per ton to five cents per ton.

Effective for production in 2007, distributions in 2008 and thereafter.

25 Douglas J. Johnson economic protection trust fund; use of money. Amends a provision enacted in the 2008 omnibus tax law (Chapter 154) that authorized the use of the Douglas J. Johnson economic protection fund to purchase forest land in the taconite assistance area to be held as a public trust for the benefit of the taconite area. This section provides that property purchased under that provision may be sold upon approval by a majority of the IRRRB. The net proceeds must be deposited in the trust fund for its specified purposes and uses.

26 Projects; approval. Removes the purchases of haulage trucks and equipment and mining shovels to be funded by the producer grant and loan fund. These are funded on a project-by-project basis.

27 Bonding authority; public facilities authority. Limits the total amount for bonds issued under the credit enhanced bond program to \$500,000,000 excluding any bonds for which refunding bonds or crossover refunding bonds have been issued.

28 Debt ceiling. Establishes a \$5,000,000,000 debt ceiling on the aggregate principal amount of Housing Finance Agency bonds and notes outstanding at any time.

29 St. Paul RiverCentre Arena. Makes changes to the debt payment schedule for the St. Paul RiverCentre Arena and forgives the loan after the June 30, 2011 payment.

30 Red Lake . Modifies the loan repayment provisions for Red Lake area businesses to being no later than one year after the walleye fishing on Upper Red Lake has recovered to a bag limit of six fish.

31 Minnesota Investment Fund. Reduces the Laws 2007 appropriation to the Minnesota Investment Fund to \$2.75 million (from \$5 million with \$3 million earmarked for a legal reference and data center facility) and specifies that \$1 million is for biomass heating grants and loans. Also provides that the FY 2008 appropriation to Minnesota Technology Inc. is available until June 30, 2011 .

32 Extended employment. Prohibits the commissioner from making reductions in extended employment service appropriations and provides carryover spending authority to fiscal year 2009 for money appropriated for employment services for disabled persons.

33 Prevailing wage enforcement. Directs that money appropriated in Laws 2007 for prevailing wage enforcement is available until expended.

34 Biomass heating grants and loans. Directs the commissioner of DEED to make grants and loans for installation of a biomass heating project in a publicly owned facility and building owned by local governments

35 Hardship benefits. Provides extra benefits for hardship caused by delays in the receipt of unemployment payments due to the department of employment and economic development's new computerized UI benefits system implemented in October 2007.

36 Lumber company extra benefits. Provides an additional 13 weeks of UI benefits to workers laid off from the Ainsworth Lumber Company in Cook, Minnesota .

37 Unemployment benefits; continued request time period waiver. Directs the commissioner to accept initial and continued requests for unemployment benefits and to pay benefits to an applicant who applied on September 15, 2006 , and had an account dated September 10, 2006 . The application of this section is retroactive to August 21, 2005 .

38 Office of Science and Technology. Establishes an office within DEED to:

- coordinate efforts to obtain federal funding for research and development projects to benefit small and medium-sized businesses;
- promote relationships between Minnesota businesses that receive federal grants;
- assess the capabilities of small and medium-sized businesses;
- link Minnesota firms with federal opportunities;
- develop a framework for Minnesota firms to establish relationships with the federal government; and
- coordinate technical assistance for business with the University of Minnesota and the

Minnesota State Colleges and Universities.

Requires the office to establish several programs and provide various types of assistance to Minnesota firms:

- Technology partnership program to assist small business in competing for federal small business innovation research awards by matching them with prime contractors.
- Collaborate to commercialize programs to help small business through a federal high-risk investment program aimed at the development of new technologies.
- Technology matchmaking assistance to firms in finding qualified suppliers and vendors through a network of Minnesota companies.
- Commercialization assistance to firms that have received specific federal grants and are working on phase II proposals.

Requires an annual report to the legislature on the Office of Science and Technology.

39 2008 distributions only. Provides onetime distributions from the taconite property tax relief fund for:

- 1) the Hibbing Economic Development Authority to retire bonds and for economic development;
- 2) St. Louis County school board to study the potential for and impact of consolidation and streamlining the operations of the St. Louis County school district No. 2142;
- 3) Grand Rapids for industrial park work;
- 4) Aitkin for sewer and water for housing projects;
- 5) Crosby for well and water tower infrastructure;
- 6) the Mountain Iron Buhl school board to study consolidation;
- 7) the Virginia school board to study consolidation;
- 8) Silver Bay for health, safety, and maintenance improvements at a former elementary school;
- 9) St. Louis County for water and sewer line extensions;
- 10) the White Community Hospital for debt restructuring;
- 11) Keewatin for street, sewer and water improvements; and
- 12) Calumet for street, sewer and water improvements.

40 Repealer. Repeals a 2004 law related to transfer of vocational rehabilitation funds.

Article 11: Transportation

Matt Burress (651-296-5045)

- 1 Summary of appropriations. Summarizes the appropriations by fund.
- 2 Appropriations. Establishes that appropriations and reductions are from the trunk highway fund, unless another is named, for the agencies and purposes specified. Supplemental appropriations for fiscal year 2008 are effective the day after final enactment.

3 Transportation. Appropriates an additional \$6.85 million in fiscal year 2008 and reduces the fiscal year 2009 appropriation by \$34,000 for the Minnesota Department of Transportation.

Subd. 1. Total appropriation. Summarizes the total appropriations.

Subd. 2. Transit. Reduces the fiscal year 2009 general fund appropriation for greater Minnesota transit by \$32,000.

Subd. 3. Freight. Reduces the fiscal year 2009 general fund appropriation for freight by \$2,000.

Subd. 4. State Roads. \$6.85 million in fiscal year 2008 for trunk highway construction, identified as spending authority from federal bridge funds.

Subd. 5. Transfers in. Transfers \$3 million per year in fiscal years 2008 and 2009 to the general fund from the rail service improvement account.

4 Metropolitan Council. Reduces the fiscal year 2009 appropriation by \$136,000 for bus operations and light rail transit for the Metropolitan Council.

5 Public safety. Reduces the fiscal year 2009 appropriation by \$60,000 for the Department of Public Safety.

Subd. 1. Total appropriation. Summarizes the total appropriations.

Subd. 2. Public safety support. Reduces the fiscal year 2009 appropriation for a Republican National Convention security coordinator by \$28,000 and the public safety support appropriation by \$17,000.

Subd. 3. Capitol security. Reduces the fiscal year 2009 appropriation for capitol security coordinator by \$15,000.

6 Fee charged. Raises from \$10 to \$20 the fee for initial titling and title transfers for motor vehicles.

7 Deposit of revenue. Clarifies that any amount available from title fees after payment of revenue bond debt service goes to the general fund.

8 Technology surcharge. Imposes a \$1.75 surcharge on all motor vehicle registration renewals and deposits the proceeds in a new driver and vehicle services technology account. The provision is only effective for fiscal years 2009 through 2012.

9 Amounts. Raises the registration title application, filing, and transfer fees by \$1.75, and deposits the proceeds in a new driver and vehicle services technology account. Makes technical changes. The fee only applies for fiscal years 2009 through 2012.

10 Fees. Raises the fees for driver's licenses, permits, and identification cards by \$1.75, and deposits the proceeds in a new driver and vehicle services technology account. The fee only applies for fiscal years 2009 through 2012.

11 Driver and vehicle services technology account. Creates a new driver and vehicle services technology account, for research and development, deployment, and maintenance of a new Driver and Vehicle Service (DVS) information management system. The provision is only effective for fiscal years 2009 through 2012.

12 Appropriation; study. Reduces the appropriation to the University of Minnesota for a value capture study, to be \$300,000 instead of \$325,000.

Article 12: Public Safety

Jeff Diebel (651-296-5041)

1 Summary of Appropriations. Summarizes direct appropriations by fund.

2 Public Safety Appropriations. Describes, in general terms, the appropriations contained in this article.

3 Supreme Court. Reduces the FY09 appropriation by \$770,000.

- Specifies that \$650,000 of the cut must come from Supreme Court operations; and
- Specifies that \$120,000 of the cut must come from civil legal services.

4 Court of Appeals. Reduces the FY09 appropriation by \$200,000.
 5 District Courts. Reduces the FY09 appropriation by \$2,250,000.
 6 Board of Public Defense. Reduces the FY09 appropriation by \$1,391,000. Reduces the base funding by
 \$246,000 beginning in FY10.
 7 Department of Public Safety. Appropriates funds for FY08 and reduces appropriations for FY09.

Subd. 1. Total appropriation. Appropriates \$360,000 for FY08 and reduces the FY09 appropriation by \$2,107,000.

Subd. 2. Emergency management. Appropriates \$360,000 for FY08 to provide state match for federal disaster assistance. Reduces the FY09 appropriation by \$40,000, which comes from the HAZMAT Team reimbursement funds.

Subd. 3. Criminal apprehension. Reduces the FY09 appropriation by \$1,515,000. Of that amount, \$1,265,000 is cut from CrimNet. The remaining \$250,000 is cut from the Department as a whole, but the cut may not come from Office of Justice Programs.

Subd. 4. Office of Justice Programs. Reduces the FY09 appropriation by \$552,000. Of that amount, \$450,000 is cut from the Financial Crimes Task Force, \$52,000 is cut from squad car camera reimbursements, and \$50,000 is cut from the Gang and Drug Task Force.

8 Department of Human Rights. Reduces the FY09 appropriation by \$130,000.
 9 Department of Corrections.

Subd. 1. Total appropriation. Reduces the FY08 appropriation by \$92,000 and the FY09 appropriation by \$3,230,000.

Subd. 2. Correctional institutions. Reduces the FY09 appropriation by \$200,000. Reduces the base funding by an additional \$200,000 beginning in FY10.

Subd. 3. Community services. Reduces the FY08 appropriation by \$92,000 and the FY09 appropriation by \$2,830,000.

- Reduces funding for short-term offenders by \$2,000,000;
- Reduces funding for Sentencing to Service by \$600,000;
- Reduces funding reimbursement of counties for juvenile 8-day holds by \$92,000 in FY08 and FY09; and
- Reduces sex offender supervision and treatment grants to Dodge and Olmstead Counties by \$138,000 in FY09.

10 Subd. 4. Operations support. Reduces the FY09 appropriation by \$200,000.
 Fire Safety Account, annual transfers, allocation. Increases the transfer from Fire Safety Account to the general fund for FY09 from \$2,268,000 to \$4,268,000.

11 Surcharges on criminal and traffic offenders. Increases the criminal surcharge from \$72 to \$75.

12 Disbursement of surcharges by commissioner of finance. Directs the \$3 criminal surcharge increase established in section 11 to the general fund.

13 Electronic payments; convenience fees; records access. Authorizes the judicial branch to accept credit cards for fees and payments ordered by the court and to impose convenience fees for these transactions. Provides that records related to these transactions are not accessible by the general public. Under current law

(Minnesota Statutes, section 609.103, which is being repealed in section 17), courts are authorized to accept credit cards for payments, however they are not authorized to impose convenience fees. Executive branch agencies are already specifically authorized in law to accept credit cards and to charge convenience fees.

14 Trial Courts. Strikes the rider in last year's omnibus public safety funding bill requiring the courts to maintain and establish new drug courts. This language is being stricken to give the courts more flexibility in allocating anticipated budget cuts.

15 Board of Public Defense. Strikes the rider in last year's omnibus public safety funding bill that requires the Board of Public Defense to hire new attorneys and support staff and directs a specified amount of money for transcript costs. This language is being stricken to give the public defenders more flexibility in allocating anticipated budget cuts.

16 Peace Officers Standards and Training Board. Reduces the FY08 appropriation by \$25,000 and increases the FY09 appropriation by \$50,000.

17 Repealer. Repeals the current authority of the courts to accept credit cards (this provision is being superseded by section 13).

Article 13: State Government

Mark Shepard (651-296-5051)

1 Summary of appropriations.
2 Appropriations. Amounts shown are added to or, if in parentheses, subtracted from 2007 appropriations.
3 Legislature. (\$1,821,000)
4 Governor. (\$113,000)
5 State Auditor. (\$42,000)
6 Attorney General. (\$749,000)
7 Secretary of State. (\$195,000)
8 Office of Enterprise Technology. (\$235,000)
9 Administration. (\$1,112,000). Provides that the base for the LMIC is \$895,000 each year of the next biennium. Specifies that \$885,000 of the reduction is from the appropriation for DPS moving expenses. Requires the commissioner of finance to transfer \$2 million in the facilities repair and replacement account to the general fund. Appropriates \$65,000 to design a construct a workers memorial on the Capitol grounds. Appropriates \$60,000 to the CAAP board to design and construct a memorial to Hubert H. Humphrey in the Capitol area.

10 Finance. (\$468,000). Provides that after DOER is merged into Finance, the commissioner of finance may reallocate reductions among programs within the merged agency.

11 DOER. (\$164,000).
12 Revenue. \$4,120,000. Appropriates \$5 million for additional tax compliance activities. Specifies a reduction of \$1.24 million from the appropriation for the tax system management program. Appropriates \$360,000 for costs of administering the tax debtor data match program.

13 Returning combat veterans. Provides that if a business organization is dissolved, revoked, or terminated after December 31, 2006 for failure to file a report with the secretary of state while an individual with substantial responsibility for its operation was in active military service or was engaged in employment outside of the United States essential to the prosecution of a war or to national defense, the secretary of state must waive any reinstatement fee otherwise required.

14 Tax debtor data matches. Requires the commissioner of revenue to establish a process for comparing account information held by financial institutions with the Department of Revenue's database of debtors. Requires consultation with representatives of financial institutions in developing an implementation and administration plan. Requires financial institutions to provide specified information on debtors to the commissioner. Provides that the commissioner may request from a financial institution data concerning any debtor not more than once every three months. Contains provisions governing methods for financial institutions to provide the data to the commissioner, and governing retention of and access to this data. Authorizes financial institutions to charge the commissioner a fee of up to \$150 per quarter (limited by the available appropriation) for providing account information. Requires the commissioner, in consultation with an advisory group, to evaluate whether these fees compensate financial institutions for actual costs of complying with this section. Specifies procedures to deal with noncompliance. Provides that a financial institution furnishing a report to the commissioner must not disclose to the debtor that the name of the debtor has been received from or furnished to the commissioner. Provides specified immunity to financial institutions.

15 Agency head salaries. See summary of section 16.

- 16 Salary limits for certain employees. This section, together with sections 15, 18 to 21, and 23, revises the system for establishing salaries of heads of state agencies. These sections would allow agency heads to be paid up to the salary limit for political subdivision employees (currently \$144,711) instead of being limited to a percentage (95% for most agency heads, 85% for others) of the Governor's salary. The Governor's salary currently is \$120,303. Any increases from current salaries would be subject to approval by the Legislative Coordinating Commission (or a subcommittee appointed by the LCC) and ratification by the full legislature.
- 17 Equitable compensation relationships. Requires the executive branch to use a recognized system for classification analysis and its concurrent point allocation system to attain compensation equity (defined in current law to mean that the primary consideration for total compensation is comparability of the work value in relationship to other executive branch positions). Requires that classification range maximums fall within the system's point allocation window. Provides that market-driven forces are acceptable to maintain employee recruitment and retention efforts when compensation rates exceed allocated points. Provides that adjustments must be made from agency appropriations. Requires that 50 percent of the compensation governed by this system must be adjusted in fiscal year 2009 and the remainder in fiscal year 2010.
- 18 Compensation limit. Part of the change described in section 16.
- 19 General; commissioner salary. Part of the change described in section 16.
- 20 Delegation; salary. Part of the change described in section 16.
- 21 Administrative issues; salary. Part of the change described in section 16.
- 22 Data matching program for collection of tax debts. Authorizes the commissioner of revenue to disclose specified data on delinquent taxpayers for the purpose of administering the tax debt data matching program with financial institutions.
- 23 Director; salary. Part of the change described in section 16.
- 24 State facilities services. Amends a 2005 appropriation for agency relocation expenses to make the appropriation available until June 30, 2009 .
- 25 Expiration. Extends the expiration of the legislative commission to end poverty in Minnesota by 2020 until June 30, 2009 .
- 26 Administrative management services. Makes the deduction of \$125,000 from grants to fund the office of grant management permissive and clarifies that the money can be deducted only grants that the office oversees (excludes capital grants to political subdivisions).
- 27 Professional and technical contracts. Requires the commissioner of finance to allocate a reduction of \$1,875,000 among general fund appropriations to executive branch state agencies. Provides that to the extent possible, this reduction must be achieved by reducing expenditures for professional and technical contracts, but otherwise must be allocated proportionally across operating budgets. Provides that \$575,000 per year is a permanent base reduction for fiscal years 2010 and 2-011. MnSCU is not covered by this section. Requires a January 15, 2009 report from the commissioner of finance on implementation of this section.
- 28 Statewide electronic licensing system surcharge. Provides that from July 1, 2008 to June 30, 2011 , each state agency must impose a surcharge of \$10 on each business or commercial license and a surcharge of \$5 on each professional or occupational license issued or renewed by the agency. Specifies that except as provided, proceeds are appropriated to the state chief information officer to develop and implement the second phase of a statewide electronic licensing system. Provides that by June 30, 2009 , the chief information officer must transfer all receipts collected in fiscal year 2009 to the general fund.
- 29 Legislators' forum. Requires that during the biennium ending June 30, 2009 , the LCC pay expenses associated with Minnesota legislators' participation in a forum through which Minnesota legislators meet with counterparts from South Dakota , North Dakota , and Manitoba .
- 30 Repealer. Repeals section 15A.0815, subdivisions 3 and 4. This relates to the new method for setting salaries for agency heads described in the summary of section 15.

Article 14: Reserves and Transfers

- 1 Budget reserve reduction. Directs the commissioner of finance to cancel \$200 million from the \$653 million budget reserve to the general fund on July 1, 2008 .
- 2 Cash flow account reduction. Directs the commissioner of finance to cancel \$350 million from the cash flow account to the general fund on July 1, 2008 . The transfer leaves no balance in the account.
- 3 Excess surplus. Defines the an excess surplus for a health maintenance organization and a county-based purchasing plan and directs the commissioner of human services, in consultation with the commissioner of health, to determine the surplus amount for each organization and plan as of December 31, 2007.

Directs the commissioner to reduce general assistance medical care capitation rates paid to the health

maintenance organizations and county-based purchasing plans for payments made in calendar year 2009. The reduction is equal to 23.14 percent of the excess surplus.

Requires reductions to be made, to the extent possible, to payments made between January 1 and June 30, 2009 .

4 Contingent transfer. Directs the commissioner of finance to reduce general fund appropriations for general assistance medical care in an amount equal to the certified payment reduction under section 3. The commissioner of finance must transfer from the budget reserve to the general fund an amount equal to the amount that the payment reduction is under \$50 million by June 30, 2009 . By December 31, 2009 , the commissioner of finance must transfer from the general fund to the budget reserve an amount equal to the appropriation reduction after June 30, 2009

5 Severable provisions. Provides that if any provisions are found unconstitutional, the other provisions are valid.

Article 15: Continuing Care

Randall Chun (651-296-8639) and Danyell LeMire (651-296-5058)

1 Targeted case management; definitions. Amends § 256B.0621, subd. 2. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.

2 Eligible services. Amends § 256B.0621, subd. 6. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.

3 Payment rates. Amends § 256B.0621, subd. 10. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.

4 Mental health case management. Amends § 256B.0625, subd. 20. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.

5 Housing access grants. Creates § 256B.0658. Requires the commissioner to award contracts through a competitive process for grants to public and private agencies to support and assist individuals eligible for publicly funded home and community-based services to access housing. Lists supports that may be offered.

6 Targeted case management service activities. Amends § 256B.0924, subd. 4. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.

7 Payment for targeted case management. Amends § 256B.0924, subd. 6. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.

8 Portion of nonfederal share to be paid by certain counties. Amends § 256B.19, subd. 1d. Eliminates the county nursing home intergovernmental transfer of \$2,230 per licensed bed. Provides an immediate effective date.

9 County nursing home payment adjustments. Amends § 256B.431, subd. 23. Eliminates a payment adjustment to county nursing homes. This is a conforming change to § 256B.19, subd. 1d. Provides an immediate effective date.

10 **Rebasing of nursing facility payment rates.** Amends § 256B.441, subd. 1. For each year of the phase-in of nursing facility operating payment rates, requires the rates to be calculated using the statistical and cost report filed by each facility for the report period ending one year prior to the rate year.

11 **Phase-in of rebased operating payment rates.** Amends § 256B.441, subd. 55. The amendment to paragraph (a) corrects the year specified for the last year of the phase-in and specifies that performance-based incentive payments are not included when calculating the amount of the non-rebased rate. Also corrects terminology.

A new paragraph (b) sets a rebasing floor of one percent for the rate year beginning October 1, 2008, that is paid for by placing a limit on the maximum increase a facility can receive

under rebasing for the rate years October 1, 2009 through October 1, 2015.

- 12 **Hold harmless.** Amends § 256B.441, subd. 56. Continues the rebasing floor of one
percent as the minimum rate for a nursing facility under the hold harmless provision, for the
rate years beginning October 1, 2009 through October 1, 2015.
- 13 Service delivery. Amends § 256B.69, subd. 6. Requires demonstration providers that provide nursing home
and community-based services to provide relocation service coordination to enrolled persons age 65 and over.
- 14 Standard of assistance for persons eligible for medical assistance waivers or at risk of placement in a group
residential housing facility. Amends § 256D.44, subd. 2. Adds persons eligible for a shelter needy payment
to the state standard of assistance for basic needs under the Minnesota Supplemental Aid program.
- 15 Special needs. Amends § 256D.44, subd. 5. Modifies the date by which the Food Stamp maximum allotment
for a single individual is added to the standard of assistance each year. Modifies who is eligible to receive this
standard of assistance. Modifies a cross-reference. Makes this section effective January 1, 2009 .
- 16 Moratorium exception proposal; waiver. Allows the commissioner of health to waive the six-mile limit for
relocated beds, when considering a competitive moratorium exception process proposal to allow a nursing
facility providing specialty care in Minneapolis to close and relocate beds to a new facility in Robbinsdale
under common ownership.

Article 16: Children and Family Services

Lynn Aves (651-296-8079) and Danyell LeMire (651-296-5058)

- 1 Definitions. Amends § 256.741, subd. 1. Adds definitions of “child support,” “arrear,” and “maintenance.”
Brings law into conformity with the federal Deficit Reduction Act.
- 2 Assignment of support and maintenance rights. Amends § 256.741, subd. 2. Clarifies the law related to
assignment of child support and maintenance to conform with the Deficit Reduction Act.
- 3 Distribution of child support arrears. Amends § 256.741, subd. 2a. Removes identifiers of specific public
assistance programs and replaces them with the term “public assistance.” Makes changes to conform to the
Deficit Reduction Act.
- 4 Existing assignments. Amends § 256.741, subd. 3. Brings law into conformity with the federal Deficit
Reduction Act. Provides an effective date of October 1, 2009 .
- 5 Work participation food benefits. Amends § 256J.621. Makes technical changes to the MFIP work
participation cash bonus and makes it effective October 1, 2009 .
- 6 Payment to public agency. Amends § 518A.50. In income withholding cases, allows the public authority to
consider the date of wage payment as the date child support was paid to the central collection unit, rather than
the date the payment was received by the central collections unit.
- Provides an effective date of October 1, 2009 .
- 7 Payor of funds responsibilities. Amends § 518A.53, subd. 5. Strikes a sentence that was incorrectly placed in
this section.
- 8 Repealer. Repeals Minnesota Statutes, sections 256.741, subdivision 15 (child support distribution), and
256J.24, subdivision 6 (MFIP family cap).

Article 17: Health Care

Randall Chun (651-296-8639)

- 1 **Interpreter services quality initiative.** Adds § 144.058. (a) Requires the commissioner
of health to establish a voluntary statewide roster, and develop a plan for registry and
certification of spoken language health care interpreters.
- (b) Requires the roster to be established by January 1, 2009.
- (c) Specifies duties of the commissioner related to development of a plan for a registry and

for implementing a certification process.

(d) Requires the commissioner to consult with a specified stakeholder group.

(e) Requires the commissioner to charge an annual fee of \$50 to include an interpreter in the roster, and requires fee revenue to be deposited in the state government special revenue fund.

Provides an immediate effective date.

2 **Potential allocations.** Amends § 144E.45, subdivision 2. Sets the value of each volunteer ambulance service credit at \$447.19, effective July 1, 2008.

3 **Establishment.** Amends § 145.9255, subd. 1. Specifies that implementation of the Minnesota education now and babies later (MN ENABL) program by the commissioner of health is contingent on the availability of funds.

4 **Operating payment rates.** Amends § 256B.969, subd. 2b. Delays the January 1, 2009 rebasing of MA, GAMC, and MinnesotaCare hospital payment rates by 14 months.

5 **Payments.** Amends § 256.969, subd. 3a. Makes the following reductions in MA and GAMC payment rates for fee-for-service inpatient hospital admissions: (1) 3.46 percent for admissions occurring between July 1, 2008 and June 30, 2009; (2) 1.9 percent for admissions occurring between July 1, 2009 and June 30, 2010; and (3) 1.79 percent for admissions occurring on or after July 1, 2010 (these reductions apply separately to each time period and are not cumulative). Requires payments to managed care plans to be reduced to reflect these reductions.

6 Program established. Amends § 256B.0571, subd. 8. Eliminates the requirement that participants in the long-term care partnership program exhaust all benefits under the partnership policy.

7 Medical assistance eligibility. Amends § 256B.0571, subd. 9. Allows individuals with a partnership policy to designate assets to be protected from recovery as of the effective date of MA eligibility for payment of long-term care services, up to the dollar amount of benefits used under the policy. Allows additional benefits to be protected as the individual continues to utilize benefits under the policy after becoming eligible for MA. (Under current law, an individual is required to exhaust benefits under the partnership policy, before being able to designate assets for protection.)

8 **Payment rates.** Amends § 256B.0625, subdivision 13e. Reduces the fee-for-service reimbursement rate from the current rate of average wholesale price (AWP) minus 12 percent to AWP minus 13 percent for fiscal year 2009, and AWP minus 12.75 percent for fiscal year 2010 and for fiscal years thereafter.

9 Co-payments. Amends § 256B.0631, subd. 1. Provides that total monthly MA co-payments for individuals with incomes at or below 100 percent of FPG must not exceed 5 percent of family income. This requirement applies to the co-payments on nonemergency visits to a hospital emergency room and prescription drugs that will be in effect on January 1, 2009. Until that date, co-payments on nonpreventive visits and eyeglasses apply, and co-payments are not subject to a 5 percent limit.

10 Collection. Amends § 256B.0631, subd. 3. Provides that MA reimbursement to a provider shall not be reduced by the amount of the co-payment, for recipients who have met the monthly 5 percent co-payment limit.

11 Federal payments. Adds § 256B.194. Allows the commissioner to require MA and MinnesotaCare providers to provide information necessary to determine Medicaid-related costs, and to cooperate in any audits or reviews. Exempts providers not subject to the CMS final rule. Provides that this section takes effect when the CMS final rule goes into effect at the end of the moratorium imposed by Congress.

12 **Facility fee for hospital emergency room and clinic visit.** Amends § 256B.432, subd. 1. Reduces fee-for-service outpatient hospital reimbursement rates by three percent, effective for services provided on or after July 1, 2008. Mental health and Indian Health Service facilities are exempt.

- 13 Managed care contracts. Amends § 256B.69, subd. 5a. Requires the commissioner to withhold, for services provided on or after January 1, 2009 , an additional three percent of managed care plan payments under prepaid MA and GAMC. Requires withheld funds to be returned between July 1 and July 31 of the following year. Allows the commissioner to exclude special demonstration projects. Allows plans to include amounts withheld as admitted assets.
- 14 Hospital outpatient reimbursement. Amends § 256B.75. Reduces fee-for-service outpatient hospital reimbursement rates by three percent, effective for services provided on or after July 1, 2008 . Mental health services and Indian Health Service facilities are exempt.

Article 18: Health and Human Services Appropriations

See spreadsheet

Article 19: Health and Human Services Forecast Adjustments

See spreadsheet